

**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 and 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:

ALABAMA HOUSING FINANCE
AUTHORITY

By: /s/ Robert Strickland
Name: Robert Strickland
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

ALABAMA HOUSING FINANCE
AUTHORITY

By: /s/ Robert Strickland
Name: Robert Strickland
Title: Executive Director

EXHIBITS AND SCHEDULES

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

SCHEDULE A
BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: Alabama Housing Finance Authority¹

Corporate or other organizational form: a public corporation and instrumentality of the State of Alabama, established and existing under the Code of Alabama 1975 §24-1A-1 pursuant to Act No. 80-585 of the Alabama Legislature

Jurisdiction of organization: Alabama

Notice Information:

With copies to:

HFA Information:

Name of HFA: Alabama Housing Finance Authority

Organizational form: a public corporation and instrumentality of the State of Alabama, established and existing under the Code of Alabama 1975 § 24-1A-1 pursuant to Act No. 80-585 of the Alabama Legislature

Date of Application: August 31, 2010

Date of Action Plan: September 1, 2010

Notice Information: Same as Notice Information for Eligible Entity.

Program Participation Cap: \$ 162,521,345.00

Portion of Program Participation Cap Representing Original HHF Funds: N/A

Portion of Program Participation Cap

1 References in the Agreement to the term "HFA" shall mean the Alabama Housing Finance Agency ("AHFA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean AHFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Representing Unemployment HHF Funds:</u>	\$ 60,672,471.00
<u>Permitted Expenses:</u>	\$ 27,024,240.00
<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	January 26, 2011
<u>Fourth Amendment Date:</u>	March 31, 2011
<u>Fifth Amendment Date:</u>	May 25, 2011
<u>Sixth Amendment Date:</u>	June 28, 2012
<u>Seventh Amendment Date:</u>	March 8, 2013
<u>Eighth Amendment Date:</u>	September 3, 2014
<u>Ninth Amendment Date:</u>	January 30, 2015
<u>Tenth Amendment Date:</u>	October 28, 2015
<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

ALABAMA HOUSING FINANCE AUTHORITY



SUMMARY GUIDELINES

HARDEST HIT FOR ALABAMA'S UNEMPLOYED HOMEOWNERS

1. Program Overview	<p>AHFA will administer the program to subsidize 100 percent of an eligible unemployed or underemployed homeowner's current monthly mortgage payments and all other mortgage-related expenses (including subordinate liens, if applicable) during their time of eligibility. AHFA will provide a payment not to exceed \$12,500 to bring the homeowner current on his or her delinquent mortgage(s). If this maximum amount that AHFA will provide does not exceed the total amount needed to bring the homeowner current on all existing mortgages, the homeowner must cover any shortfall. The payment can cover principal, interest, fees, escrow/impound expenses, past due homeowners association (HOA) fees, delinquent taxes and/or escrow shortage for taxes and insurance.</p> <p>AHFA will also provide a payment not to exceed \$30,000 to bring employed homeowners, who have encountered an eligible financial hardship and who can afford their current monthly mortgage payment, current on his or her delinquent mortgage(s). Funds must fully reinstate the homeowner's mortgage loan(s).</p> <p>The assistance will not exceed a total of \$30,000 per household.</p> <p>Interested homeowners will apply directly to AHFA via a secure website monitored and maintained by AHFA staff. Applications will be evaluated and approved by AHFA staff members. Approved homeowners will be expected to submit certain information documenting their employment status and inability to pay their mortgage and supporting their mortgage claims.</p> <p>Program components include:</p> <p><u>Mortgage Payment Assistance:</u> payments for eligible unemployed or underemployed homeowners will be disbursed to servicers by AHFA on a monthly basis contingent upon homeowner continued eligibility and re-certification. Monthly assistance, when combined with any assistance needed to bring the homeowner current (not to exceed an aggregate total of \$30,000 per household), will continue (i) for up to</p>
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	<p>twelve months or (ii) until the earlier to occur of (A) the property ceasing to be the homeowner’s primary residence or (B) September 30, 2017.</p> <p><u>One-Time Reinstatement Assistance:</u> payment for eligible employed homeowners who have encountered an eligible financial hardship will be disbursed to servicers by AHFA in a single disbursement up to \$30,000. Payment must fully reinstate the homeowner’s mortgage loan(s).</p>
<p>2. Program Goals</p>	<p>Provide mortgage payment assistance to unemployed or underemployed Alabama homeowners and reinstatement to homeowners who have encountered a financial hardship, both with a chance of sustaining homeownership.</p>
<p>3. Target Population / Areas</p>	<p>This program will assist low- to moderate-income families in Alabama. AHFA does not anticipate targeting this assistance on a geographic basis.</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$62,521,345</p>
<p>5. Borrower Eligibility Criteria</p>	<p>Homeowners must have a total annual household income of less than 140 percent of the state median income. AHFA may change this limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development.</p> <p>Homeowners, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage (for Mortgage Payment Assistance) or attesting to the eligible financial hardship (for One-Time Reinstatement Assistance) and must meet other eligibility criteria per the program guidelines. HHF will be available to qualified homeowners on a first-come, first-served basis.</p> <p><u>Mortgage Payment Assistance:</u></p> <ul style="list-style-type: none"> Alabama homeowners who are currently receiving or previously received state or federal unemployment compensation benefits or TRA on or after January 1, 2013, or who have encountered an eligible financial hardship resulting in a 25% or greater reduction in total household income (underemployment) may be eligible for Mortgage Payment Assistance.

	<p><u>One-Time Reinstatement Assistance:</u></p> <ul style="list-style-type: none"> Alabama homeowners who are past due on their mortgage payments and who have encountered an eligible financial hardship resulting in a 25% or greater reduction in total household income in the most recent 24 months may be eligible for one-time reinstatement assistance. Eligible financial hardships include loss or reduction in income through no fault of the homeowner, death, divorce, or disability. The post-assistance housing ratio may not exceed 31%.
<p>6. Property / Loan Eligibility Criteria</p>	<p>Homeowners must currently occupy the property as their primary residence and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. Existing mortgage loans on the property must have an unpaid principal balance totaling no more than \$258,690. Mortgages must be originated by a financial institution in the business of regularly originating mortgage loans and the mortgage loans must be executed and recorded prior to the homeowner’s financial hardship.</p>
<p>7. Program Exclusions</p>	<p>Mortgage loans on second homes or investment properties will not be eligible for HHF assistance.</p> <p>Homeowners who have ownership interest in a property other than their primary residence.</p> <p>Homeowners who previously received assistance under this program.</p>
<p>8. Structure of Assistance</p>	<p>Homeowners receiving funds will execute a note and a subordinate mortgage lien in favor of AHFA that will be recorded in public records against the property. Loans will be zero percent and non-amortizing.</p> <p>Loans originated between the pilot program commencement and December 31, 2012, will be forgiven at the termination of a five-year term. Loans originated between January 1, 2013, and December 31, 2013, will be forgiven at the termination of a four-year term. Loans originated between January 1, 2014, and December 31, 2014, will be forgiven at the termination of a three-year term. Loans originated between January 1, 2015 and December 31 2015 will be forgiven at the termination of a two year term. Loans originated between January 1, 2016, and December 31, 2016, will be forgiven at the termination of a one-year term. Loans originated between January 1, 2017, and September 30, 2017 will be forgiven at the termination of a one-year term. On or before December 31, 2017, or such later date allowed by Treasury, any remaining or recaptured funds will be returned to Treasury.</p> <p>Loans will be repayable only if the homeowner sells the property before the forgiveness period expires and there is sufficient equity to pay all or</p>

	<p>part of the unforgiven balance of the loan. Repaid HHF funds may be re-invested back into new homeowner loans prior to December 31, 2017.</p> <p>Ongoing monitoring, repayments and satisfactions will be conducted through AHFA.</p>
9. Per Household Assistance	<p>Assistance not to exceed a total of \$30,000 per household.</p> <p>AHFA will cover 100 percent of the household's monthly mortgage payments and all other mortgage-related expenses (including principal, interest, fees, escrow/impound expenses, past due HOA fees, delinquent taxes and/or escrow shortage for taxes and insurance) unless final payment amount exceeds the maximum assistance available.</p> <p>If a homeowner is qualifying for Mortgage Payment Assistance and the maximum amount that AHFA will provide for reinstatement under that component (a total of \$12,500 per household) does not exceed the total amount needed to bring the homeowner current on all existing mortgages, the homeowner must cover any shortfall.</p>
10. Duration of Assistance	<p>Under the Mortgage Payment Assistance component, payments (excluding the amount needed to bring the homeowner current) will be disbursed to servicers by AHFA on a monthly basis contingent upon homeowner continued eligibility and re-certification. Any amount needed to bring the homeowner current will be disbursed to servicers by AHFA as a single disbursement. Monthly assistance, when combined with any assistance needed to bring the homeowner current not to exceed an aggregate total of \$30,000 per household, will continue (i) for up to twelve months or (ii) until the earlier to occur of (A) the property ceasing to be the borrower's primary residence or (B) September 30, 2017</p> <p>Under the One-Time Reinstatement component, a single disbursement up to \$30,000 will be made to fully reinstate the homeowner.</p>
11. Estimated Number of Participating Households	5,500
12. Program Inception / Duration	The pilot program began on December 15, 2010, and funds became available statewide on February 2, 2011. AHFA expects the initial funding allocation to be expended within three years, though funds may be recycled until December 31, 2017.
13. Program Interactions with Other HFA Programs	Homeowners may participate in other Alabama HHF programs as long as the homeowners meet all program requirements established for each program. The total combined assistance for all programs may not exceed \$60,000. Homeowners are required to apply separately for each program.

14. Program Interactions with HAMP	This assistance can interact with any and all loan modification programs, including HAMP, provided that the homeowner meets the qualifications established by AHFA and Treasury for HHF. HHF funds can be utilized before or after assistance from HAMP UP.
15. Program Leverage with Other Financial Resources	None.

SERVICE SCHEDULE B-2

ALABAMA HOUSING FINANCE AUTHORITY



SUMMARY GUIDELINES

SHORT SALE ASSISTANCE PROGRAM

1. Program Overview	<p>AHFA will administer HHF funds to assist financially distressed homeowners with the sale of their primary residence. The short sale assistance program will assist homeowners who can no longer sustain their monthly mortgage obligation due to a hardship such as unemployment, underemployment, divorce, or disability. The assistance will not exceed a total of \$30,000 per household.</p> <p>HHF Participating Servicers may refer interested sellers for participation in the program. The servicer must provide evidence the seller has been approved for a short sale, contingent upon receipt of HHF funds. The seller will apply via a secure website monitored and maintained by AHFA staff. Applications will be evaluated and approved by AHFA staff members. Sellers will be expected to submit certain information documenting their income, short sale approval (contingent upon receipt of HHF funds), executed sales contract, the value of the property, and payoff statement(s) from a Participating Servicer(s).</p> <p>Participating Servicers must agree to accept a minimum loss of \$1,000 on the first mortgage loan of each short sale assisted.</p> <p>AHFA will provide a single disbursement which can cover closing costs and any remaining principal amount—up to 10% of the sales price, not to exceed \$30,000. The funds will be disbursed at closing and made payable to the servicer and the closing agent (with respect to closing costs).</p>
2. Program Goals	Provide assistance to Alabama homeowners who are unable to sustain their monthly mortgage obligation.
3. Target Population / Areas	This program will assist low- to moderate-income families in Alabama. AHFA does not anticipate targeting this assistance on a geographic basis.
4. Program Allocation (Excluding Administrative Expenses)	\$11,487,880

<p>5. Borrower Eligibility Criteria</p>	<p>Applicants must have a total annual household income of less than 140 percent of the state median income. AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development.</p> <p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. HHF will be available to qualified homeowners on a first-come, first-served basis.</p> <p>Homeowner’s eligibility will also depend on the servicer’s evaluation of homeowner for a short sale program.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>The homeowner must occupy the property as their primary residence at the time of sale and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. Existing mortgage loans on the property must have an unpaid principal balance totaling no more than \$258,690.</p>
<p>7. Program Exclusions</p>	<p>Mortgage loans on second homes or investment properties will not be eligible for HHF assistance.</p>
<p>8. Structure of Assistance</p>	<p>A single payment made payable to the servicer and the closing agent (with respect to closing costs) will be disbursed at closing. Loan forgiveness will be immediate. No additional monitoring will be required.</p>
<p>9. Per Household Assistance</p>	<p>HHF assistance per household not to exceed \$30,000.</p>
<p>10. Duration of Assistance</p>	<p>A single HHF payment made payable to the seller and closing agent will be disbursed at closing.</p>
<p>11. Estimated Number of Participating Households</p>	<p>400</p>
<p>12. Program Inception / Duration</p>	<p>The short sale program will be available to homeowners after the Seventh Amendment Date and will last as long as the allocated amount of funds is available. After successful completion of a 60-day pilot program, AHFA will make the funds available for a statewide release.</p>
<p>13. Program Interactions with Other HFA Programs</p>	<p>Homeowners may participate in other Alabama HHF programs as long as the homeowners meet all program requirements established for each program. The total combined assistance for all programs may not exceed \$60,000. Homeowners are required to apply separately for each program.</p>

14. Program Interactions with HAMP	N/A
15. Program Leverage with Other Financial Resources	None.

SERVICE SCHEDULE B-3

ALABAMA HOUSING FINANCE AUTHORITY



SUMMARY GUIDELINES

LOAN MODIFICATION ASSISTANCE PROGRAM

1. Program Overview	<p>To aid in the prevention of foreclosures in Alabama, the Loan Modification Assistance Program will provide funds, not to exceed \$30,000 per household, to assist financially distressed and/or underemployed borrowers in achieving modification of their home loans.</p> <p>Under the program, a one-time contribution of funds will be made to the mortgage servicer to recast the loan or be used to fill a financial gap that limits a homeowner's eligibility for a loan modification or to extinguish the lien.</p> <p>Funds may be used to reduce the outstanding principal balance, pay delinquent escrow or arrearages.</p> <p>Recast or modification must result in a mortgage payment (including principal, interest, taxes, and insurance) of no more than 31 percent of a homeowner's income. Homeowner must have demonstrated ability to maintain the mortgage under the new terms.</p> <p>The program is designed to work with loan recast, HAMP and non-HAMP modifications.</p> <p>HHF Participating Servicers may refer interested homeowners for participation in the program. The homeowner will apply via a secure website monitored and maintained by AHFA staff. Applications will be evaluated and approved by AHFA staff members. Approved homeowners will be expected to submit certain information documenting their inability to pay their mortgage and supporting their mortgage claims.</p>
2. Program Goals	<p>Provide assistance to underemployed Alabama homeowners who are unable to sustain their monthly mortgage obligation under the current loan terms. Providing funds will allow for a successful loan recast, loan modification or lien extinguishment for eligible borrowers.</p>
3. Target Population /	<p>This program will assist low- to moderate-income families in Alabama. AHFA</p>

Areas	does not anticipate targeting this assistance on a geographic basis.
4. Program Allocation (Excluding Administrative Expenses)	\$36,487,880
5. Borrower Eligibility Criteria	<p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. HHF will be available to qualified homeowners on a first-come, first-served basis.</p> <p><u>Loan Modification and Loan Recast</u></p> <ul style="list-style-type: none"> • Homeowners applying for a loan modification or recast must have a total annual household income not to exceed 140 percent of the state median income (SMI). AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development. Homeowner’s total housing ratio after assistance may not exceed 31% of the homeowner’s total household income. • A homeowner’s eligibility for a loan modification or recast will also depend on the servicer’s evaluation of the homeowner for a loss mitigation option. <p><u>Lien Extinguishment</u></p> <ul style="list-style-type: none"> • Homeowners applying for a lien extinguishment must have a total annual household income not to exceed 100 percent of the SMI. AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development. <p>Homeowners eligible for lien extinguishment must be on a fixed income. The homeowner post assistance housing ratio including all mortgage related expenses (homeowners insurance, flood insurance, property taxes, HOA fees) may not exceed 31% of the total household income.</p>
6. Property / Loan Eligibility Criteria	The homeowner must currently occupy the property as their primary residence, and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. The homeowner’s current

	<p>first-lien mortgage must have an unpaid principal balance totaling no more than \$258,690. Assistance for a loan modification or recast may not be used to reduce the property's combined loan-to-value below 80%.</p>
7. Program Exclusions	<p>Mortgage loans on second homes or investment properties.</p> <p>Home Equity Line of Credit (HELOC).</p>
8. Structure of Assistance	<p>A single payment made payable to the servicer will be disbursed.</p> <p>Homeowners receiving funds will execute a note and a subordinate mortgage lien in favor of AHFA that will be recorded in public records against the property. Loans will be zero percent and non-amortizing.</p> <p>Loans originated between the pilot program commencement and December 31, 2013, will be forgiven at the termination of a four-year term. Loans originated between January 1, 2014, and December 31, 2014, will be forgiven at the termination of a three-year term. Loans originated between January 1, 2015 and December 31, 2015 will be forgiven at the termination of a two-year term. Loans originated between January 1, 2016 and September 30, 2016 will be forgiven at the termination of a one-year term the day of the final disbursement. Loans originated between January 1, 2017, and September 30, 2017 will be forgiven at the termination of a one-year term. On or before December 31, 2017, or such later date allowed by Treasury, any remaining or recaptured funds will be returned to Treasury.</p> <p>Loans will be repayable only if the homeowner sells the property before the forgiveness period expires and there is sufficient equity to pay all or part of the unforgiven balance of the loan. Repaid HHF funds may be re-invested back into new homeowner loans prior to December 31, 2017.</p> <p>Ongoing monitoring, repayments and satisfactions will be conducted through AHFA.</p>
9. Per Household Assistance	<p>Not to exceed a total of \$30,000 per household.</p>
10. Duration of Assistance	<p>A single payment made payable to the servicer will be disbursed.</p>
11. Estimated Number of Participating Households	<p>1,200</p>
12. Program Inception / Duration	<p>The program will be available to homeowners after Treasury approval and will last as long as the allocated amount of funds is available. After successful completion of a 60-day pilot program, AHFA will make the funds available</p>

	for a statewide release.
13. Program Interactions with Other HFA Programs	Homeowners may participate in other Alabama HHF programs as long as the homeowners meet all program requirements established for each program. The total combined assistance for all programs may not exceed \$60,000. Homeowners are required to apply separately for each program.
14. Program Interactions with HAMP	This assistance can interact with any and all loan modification programs, including HAMP, provided that the homeowner meets the qualifications established by AHFA and Treasury for HHF. HHF funds can be utilized before or after assistance from HAMP UP.
15. Program Leverage with Other Financial Resources	None.

SERVICE SCHEDULE B-4

ALABAMA HOUSING FINANCE AUTHORITY



SUMMARY GUIDELINES

BLIGHT ELIMINATION PROGRAM

1. Program Overview	AHFA will administer HHF to assist in the removal of blighted properties within the State of Alabama. AHFA will work in partnership with members of the Alabama Association of Habitat for Humanity Affiliates (Affiliates) to ensure blighted properties located in healthy neighborhoods are removed and the site greened. The Alabama Association of Habitat Affiliates is the state support organization for the Habitat for Humanity affiliates across the state of Alabama (AAHA). AAHA serves as a clearinghouse for information between Affiliates, developers of resources (personnel, funds and in-kind donations) for affiliates and provide technical support to help Affiliates grow their capacity.
2. Program Goals	The Blight Elimination Program will reduce foreclosures, promote neighborhood stabilization and maintain property values through the removal of unsafe condemned single family structures and subsequent greening in areas across the State of Alabama. AHFA will work with Affiliates to identify meaningful indicators that will enable them to track and quantify the program's impact in the designated communities.
3. Target Population / Areas	This program will focus on neighborhoods with blighted properties. The program will target sustainable neighborhoods with the state.
4. Program Allocation (Excluding Administrative Expenses)	\$25,000,000

<p>5. Property Eligibility Criteria</p>	<p>Property will be considered eligible if it meets the following criteria:</p> <ul style="list-style-type: none"> • The property must be located in the State of Alabama. • The property must be owned by an Affiliate. • The property must be vacant at the time of acquisition. • The property is a nuisance due to age and/or condition as determined by local ordinance. • The cost to rehab/repair the structure exceeds reasonable cost as determined by the Affiliate. • AHFA will determine property eligibility per program guidelines.
<p>6. Ownership/Loan Eligibility Criteria</p>	<p>Properties must be owned by the Affiliate. Properties must have a loan that can be modified or extinguished.</p>
<p>7. Program Exclusions</p>	<p>Commercial properties, multifamily properties, and properties listed on a state or national historic register will not be eligible for inclusion in this program.</p>
<p>8. Structure of Assistance</p>	<p>Eligible sites must be owned by an Affiliate. Each Affiliate will be responsible for securing clear title for blighted properties purchased from or donated by local municipalities, government agencies or individuals. The Affiliate will then partner with an approved financial institution to finance the cost of removal of the blighted property. Prior to demolition, the Affiliate will submit a site evaluation report to AHFA. The report must outline the location of the neighborhood, neighborhood conditions, estimated cost of property removal and greening, and a 3-year estimate of maintenance cost. HHF assistance will not exceed \$25,000 per property. Any cost exceeding \$25,000 must be absorbed by the Affiliate.</p> <p>The financial institution will reserve funds via the Hardest Hit Alabama online reservation system. Prior to disbursement, required documentation must be submitted by the Affiliate to AHFA for review. Required documentation will include a Request for Funding Form, photos, and a Certification of Completion. Additional documentation may be required as determined by AHFA. A single payment made payable to the financial institution will be disbursed after verification of the debris removal and greening (as applicable) has been provided. Eligible costs include removal of debris, contractor’s fees, permit fees, final inspections, environmental assessments, title searches, greening and maintenance (not to exceed \$3,000.00) fees for a three-year period, and any other fees or charges required to complete the property removal. HHF will be used to extinguish the outstanding loan payable to the approved financial institution.</p>

	<p>The Affiliate will execute a 0% non-amortizing loan in favor of AHFA. Loans will be forgiven at a rate of 33.3% per year on the anniversary of the final disbursement as long as covenants are met. The outstanding loan balance will become due and payable if the property is sold, its title transferred, or it is used for an unauthorized purpose prior to the loan's expiration. However, special considerations may be made by AHFA to release or subordinate its lien prior to the expiration of the loan term based upon the merit of the request and the proposed positive impact to the community as set forth in the program guidelines. The method for calculating the portion of the outstanding balance to be forgiven or released will be determined based upon the time and method of transfer. The outstanding balance may include any and all net sale proceeds and/ or the full principal balance of the loan.</p> <p>On or before December 31, 2017 any remaining or recaptured funds will be returned to Treasury.</p>
9. Per Property Assistance	Maximum assistance may not exceed \$25,000 per property.
10. Duration of Assistance	Funds will be disbursed to the Affiliates on a first-come-first-served basis. All assistance will be provided in one payment.
11. Estimated Number of Properties Demolished	1000 properties
12. Program Inception / Duration	The program will begin on September 1, 2014 and will last as long as the allocation of funds is available or until December 31, 2017.
13. Program Interactions with Other HFA Programs	AHFA's Habitat for Humanity Loan Purchase Program - a partnership in which the Habitat Affiliates solicits the assistance of a local lender to serve as a conduit for the sale of the loan. The affiliate sells the mortgage to the local bank, which then sells the loan to AHFA.
14. Program Interactions with HAMP	None
15. Program Leverage with Other Financial Resources	None.

SCHEDULE C

PERMITTED EXPENSES

	Alabama
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$1,146,126.00
Building, Equipment, Technology	\$668,463.00
Professional Services	\$199,914.00
Supplies / Miscellaneous	\$131,193.00
Marketing /Communications	\$346,726.00
Travel	\$12,494.00
Website development /Translation	\$50,000.00
Contingency	\$131,193.00
Subtotal	\$2,686,109.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$6,766,750.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$1,800,000.00
Travel	100,000.00
Buildings, Leases & Equipment	\$600,000.
Information Technology & Communications	\$2,158,491.00
Office Supplies/Postage and Delivery/Subscriptions	\$149,935.00
Risk Management/ Insurance	\$120,000.00
Training	\$100,000.00
Marketing/PR	950,000.
Miscellaneous	\$134,145.00
Subtotal	\$12,879,321.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$3,000,000.
Wire Transfer Fees	\$133,109.00
<i>Counseling Expenses</i>	
File Intake	\$3,639,707.00
Decision Costs	\$0.00

	Alabama
Successful File	\$693,452.00
Key Business Partners On-Going	\$3,992,542.00
Subtotal	\$11,458,810.00
Grand Total	\$27,024,240.00
% of Total Award	16.63%
Award Amount	\$162,521,345.00