SERVICE SCHEDULE B-1

Illinois Housing Development Authority

Hardest Hit Fund Homeowner Emergency Loan Program (HHF HELP)

Summary Guidelines

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<tr>
<td>1. Program Overview</td>
<td>The Illinois Homeowner Emergency Loan Program (HHF HELP or the Program) will assist in preventing foreclosure for homeowners who have experienced a substantial reduction in income or other qualifying hardship.

Borrowers are referred to the Program through the HHF HELP website and/or hotline, housing agencies, mortgage servicers or other entities. The Illinois Housing Development Authority (IHDA) approved intake agencies or IHDA staff will perform all client intake. Intake agencies will screen applications and provide a full application package to IHDA for final approval.

HHF HELP Assistance will be provided in three ways:

1. Monthly Mortgage Payment Assistance: For homeowners who have experienced an income reduction due to a qualifying hardship. Monthly Mortgage Payment Assistance (MMPA) will be provided for up to 18 months to applicants approved prior to May 31, 2016 and up to 12 months for applicants approved after that date. IHDA will make full mortgage payments to the servicer on behalf of the borrower. Applicants approved prior to May 31, 2016 are required to contribute a partial mortgage payment to IHDA on a monthly basis. If borrowers regain employment and earn sufficient income to adequately afford their mortgage during the applicable term, borrowers will be transitioned from the Program.

2. Reinstatement Assistance: For homeowners who have experienced an income reduction due to a qualifying hardship. Reinstatement Assistance will pay a homeowner's delinquent balance and other associated fees and costs.

3. Reverse Mortgage Assistance: For homeowners with a Federal Housing Administration (FHA) Home Equity</td>
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	Conversion Mortgage (HECM), who have had property taxes, insurance, homeowner association dues or other property-related expenses as set forth in the program guide ("Property Expenses") impounded by their mortgage servicer and have experienced a qualifying hardship. Reverse Mortgage Assistance will be used to repay the amount of Property Expenses advanced on behalf of a homeowner by his or her mortgage servicer and pay up to two years of projected Property Expenses. Borrowers may be eligible for both MMPA and Reinstatement Assistance as determined by housing debt to gross income (DTI) parameters. Reverse Mortgage Assistance cannot be combined with other assistance options.
2. Program Goal	The goal of the Program is to assist homeowners who have experienced a substantial reduction in income or other qualifying hardship by providing mortgage assistance or payment of eligible Property Expenses that will allow them to pursue sustainable homeownership without the immediate threat of default or foreclosure.
3. Target Population / Areas	The Program aims to serve all areas of the State and all employment sectors as the foreclosure crisis and unemployment crisis in Illinois is diverse. Funds will only be available to households at or below the moderate-income level for the State (120% of area median, as defined by HUD).
4. Program Allocation (Excluding Administrative Expenses)	$454,164,326

5. Borrower Eligibility Criteria	All homeowners must meet the following criteria:
	• Present income at or below 120% of area median;
	• Fee simple title ownership on a property not exceeding four units;
	• Liquid assets cannot exceed program guidelines.
	
	For MMPA and Reinstatement Assistance, homeowners must meet the following additional program criteria:
	• The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income due to one of the following qualifying hardships:
	  o Unemployment
	  o Underemployment

	- o Divorce - o Death of a spouse or - o Medical condition • Assistance will be made available to eligible borrowers based on housing DTI parameters set forth in the program guide. For Reverse Mortgage Assistance, homeowners must meet the following additional program criteria: • Property Expenses must be delinquent or the borrower is currently in a repayment plan with the servicer. • The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income or other involuntary financial hardship as set forth in the program guidelines. • Assistance will be made available to eligible borrowers based on housing DTI parameters set forth in the program guide.
6. Property / Loan Eligibility Criteria	All properties must meet the following criteria: • Property must be owner-occupied; • Property can be one, two, three, and four units; • Property must be the primary residence of the borrower(s); and • Property types can include single-family homes, detached or attached houses, town homes, condos and mobile homes on permanent foundations recorded as real property. For MMPA and Reinstatement Assistance loan criteria includes: • Loan must be secured by a first position lien; • Homeowners can have a maximum present mortgage amount of $500,000; and • Homeowners must carry a fixed rate mortgage or an adjustable rate mortgage. For Reverse Mortgage Assistance loan criteria includes: • Reverse mortgage must be serviced by a HUD-approved HECM servicer. • Mortgage balance of the HECM reverse mortgage is not greater than the FHA limit; • All subordinate liens must be in good standing.

7. Program Exclusions	• Homeowners with interest-only or negative amortization mortgages, with the exception of FHA HECMs; • Assistance for subordinate mortgages; • Homeowners that own and/or are a party to mortgages on multiple residential properties; and • Applicants unable to substantiate past and current income or failing to provide required program documentation as requested.
8. Structure of Assistance	Assistance will be in the form of a non-recourse, non-amortizing, zero-percent interest, forgivable loan. The forgivable loan will be recorded as a subordinate lien and will only be repaid if net equity proceeds exist in the event of sale or refinance. The term of the loan is ten years for applicants approved prior to May 31, 2016 and five years for applicants approved after that date. The loan is forgiven on a monthly pro rata basis over the last five years of the loan term. Any remaining funds will be returned to Treasury in accordance with the Agreement. Assistance will be paid directly to Lender/Servicer and applied to a homeowner's arrearages, mortgage payments and Property Expenses, as applicable.
9. Per Household Assistance	The maximum amount of assistance per homeowner is $35,000.00.
10. Duration of Assistance	MMPA will be provided for up to 18 months to applicants approved prior to May 31, 2016 and up to 12 months for applicants approved after that date. Assistance will terminate after the maximum number of monthly payments has been reached, upon expending the maximum amount of assistance per household or if the borrower is determined to be no longer eligible for assistance. Reverse Mortgage Assistance will pay off the arrearage and provide upfront funding for up to two years of projected monthly Property Expenses, subject to the $35,000 per household cap.
11. Estimated Number of Participating Households	IHDA anticipates that 18,000 - 20,000 households will be assisted through the HHF HELP Program.
12. Program Inception / Duration	The Program launched in 2011 and closed in early 2016. IHDA re-launched the Program on August 1, 2016.

13. Program Interactions with Other HFA Programs	Households served under the National Foreclosure Mitigation Counseling (NFMC) Program may also be reviewed for HHF HELP eligibility.
14. Program Interactions with HAMP	Clients denied for a HAMP modification may be eligible for assistance through this Program. Intake agencies evaluating eligibility for clients may also review for possible HAMP eligibility. Borrowers in a HAMP trial period may not use funds from HHF HELP to make trial period payments.
15. Program Leverage with Other Financial Resources	The Program requires no financial contribution from servicers or lenders, but they will be encouraged to waive fees as the HHF HELP Program provides direct benefit to their loan portfolio. IHDA will work to collaborate with servicers and lenders to effectively manage payments and information of the borrowers.

SERVICE SCHEDULE B-2

Illinois Housing Development Authority

Mercy Housing, Inc. Mortgage Resolution Fund Program (MRF)

Summary Guidelines

1. Program Overview	The Illinois Housing Development Authority (IHDA) will partner with MRF, LLC, a non-profit partnership formed by Mercy Portfolio Services; Mercy Housing, Inc.; Enterprise Community Partners, Inc.; the Housing Partnership Network; and the National Community Stabilization Trust, to use HHF funds to purchase delinquent loans in hardest-hit markets from lending institutions and capital markets trading desks at deeply discounted prices, modify such loans to an affordable level for the homeowner and then, assuming a successful trial modification period, rewrite the loan and if the market is amenable, sell the loan. Alternatively, MRF (or the Program) will provide households not eligible for modification with support through property disposition and transition to new housing and in certain limited circumstances the loan will have to be foreclosed. More specifically, the Mortgage Resolution Fund Program is designed to: 1) identify, source and perform loan level due diligence in order to purchase delinquent residential first mortgage loans from servicers/owners at a price consistent with the underlying property value and the mortgage's net present value; 2) upon purchase of the loan, offer qualifying homeowners an opportunity to enter a trial modification period where the loan will be restructured to achieve a front end debt ratio of not greater than 31 percent of the gross household income; 3) work with the qualifying household during the trial period to reduce their debt to achieve a total debt ratio no greater than 50% of the gross household income to strengthen the loan asset; 4) upon successful completion of the trial period, permanently modify the first mortgage by writing down the principal to an amount no less 75 percent and no greater than 95 percent of the current appraised value, with a monthly payment no greater than 31 percent of gross monthly income and a 30-year term and amortization;

	5) structure a portion of the first mortgage amount equal to the difference between the market value of the property and the permanently modified loan amount, on a 0 percent, 10-year forgivable basis; 6) offer an alternative disposition to households with loans unable to be permanently modified; 7) secure title when owners, who are otherwise qualified to participate in the Program, walk away from the property or are uninterested in an alternative disposition; 8) secure title when owners/loans are not qualified to participate in the Program, in which event MRF, LLC will reimburse IHDA for any HHF monies expended with respect to that loan; 9) provide asset management of all homes owned until a final disposition is reached; and 10) provide compliance and reporting functions from both a loan and fund level.
2. Program Goal	The Program aims to keep families in their homes or provide families with support for an orderly property disposition and transition to new housing, which will help to stabilize neighborhoods and housing markets.
3. Target Population / Areas	The Program will be available in the six County Chicago-Metro areas, which includes Cook, DuPage, Kane, Kendall, Lake, and Will Counties, to low-to-moderate income households.
4. Program Allocation (Excluding Administrative Expenses)	$36,634,075
5. Borrower Eligibility Criteria	Borrower circumstances will determine whether they are placed into one of three options: trial modification leading to permanent modification, alternative disposition or foreclosure. Specific eligibility criteria for each of the foregoing options are set forth in the MRF Program Guidelines. All borrowers will be required to sign a financial hardship affidavit.
6. Property / Loan Eligibility Criteria	The following waterfall process will be used to determine those loans eligible for purchase:

	Filter One: Geography • The census tracts within each eligible county will be analyzed and those that score between 12 and 19, as defined by HUD NSP2-CIS, will be eligible. • The selected census tracks will be evaluated and those with a USPS vacancy rate of 10 percent or less will be eligible. • The selected census tracks will be evaluated to determine market viability by analyzing sales data to determine (1) if the market has stabilized; (2) velocity and absorption rates; and, (3) purchase price ranges for the area. Filter Two: Loan Terms and Status • Owner-occupied, single family loans • Secured with an FHA/VA/USDA/Conventional/Sub-prime product *(no exclusions will be made because of interest rate, amortization period, credit, documentation, mortgage insurance, origination date, LTV)* • First lien position • Payment delinquency of 30 days or greater but prior to judgment • Property value equal to or less than $500,000 • Principal balance at or below what a borrower earning 120 percent of area median income can afford (assuming 30 year term, 5 percent rate)
7. Program Exclusions	Any loans to homeowners that do not meet above criteria.
8. Structure of Assistance	Structure a portion of the first mortgage amount equal to the difference between the market value of the property and the permanently modified loan amount, on a zero-percent, ten-year forgivable basis. Borrower payments made through the trial and permanent modification periods as well as any funds generated through the sale of the permanently modified loans, or sale or rental of properties, will be used to pay program costs, program fees and repay HHF. HHF monies returned to IHDA will undergo a close out review and, subject to IHDA's approval, will be returned to IHDA. Any remaining funds will be returned to Treasury in accordance with the Agreement.
9. Per Household Assistance	The maximum refinance amount will be equal to or less than $500,000. The median refinance amount is expected to be

	approximately $130,000.
10. Duration of Assistance	Duration of assistance will vary from borrower to borrower based on circumstances surrounding each and market conditions. However, all borrowers will be refinanced or transitioned to another managed option prior to the expiration of the Program with exceptions permitted upon approval by MRF, LLC.
11. Estimated Number of Participating Households	Estimated number of households – 250 to 1,000
12. Program Inception / Duration	It is expected that the Program will begin approximately 120 days from the date of Treasury approval and the first loans will be purchased within approximately 60 days thereafter.
13. Program Interactions with Other HFA Programs	It is expected that certain MRF Trial Modification Program (TMP) ineligible loans (those with inadequate income to support the required minimum mortgage loan amount) will be eligible for IHDA's standard HHF program and will be referred to IHDA to submit an application and have eligibility determined.
14. Program Interactions with HAMP	It is expected that some of the delinquent mortgages purchased under this Program may have been unsuccessful under HAMP. No currently performing loans under the HAMP program will be eligible.
15. Program Leverage with Other Financial Resources	Loans will be purchased at a discount.

SERVICE SCHEDULE B-3

Illinois Housing Development Authority

Hardest Hit Fund Home Preservation Program (HPP)

Summary Guidelines

1. Program Overview	Illinois' Home Preservation Program (HPP or the Program) will leverage HHF dollars to facilitate a refinance, recast (for recast initial LTV must be 95% or higher), or permanent modification of the first mortgage through an escrow arrearage (including related fees and costs), principal reduction, and/or reinstatement payment to bring the household monthly payment to an affordable level (maximum housing DTI of 38%). A second lien payoff payment may also be provided to facilitate a first mortgage modification/recast/refinance. HPP will assist homeowners who are financially unable to make their mortgage payments due to a program eligible hardship or are underwater on their mortgage(s).
2. Program Goal	The goal of this Program is to facilitate long-term mortgage sustainability by leveraging HPP funds with a servicer-specific loan reinstatement, modification, recast, and/or refinance. This will reduce the likelihood of continued mortgage delinquency, re-default, or long-term unaffordability due to negative equity.
3. Target Population / Areas	The Program aims to serve all areas of Illinois. Funds will only be available to households at or below 140% of area median income.
4. Program Allocation (Excluding Administrative Expenses)	$46,000,000
5. Borrower Eligibility Criteria	<u>Recast and Modification</u> • Current income at or below 140% of area median income; • Current housing DTI of 25% or higher; • Loan is delinquent or in imminent default (as defined in program guidelines); • At least one person in the household must have consistent employment and/or income sources; • Hardship reason must be affirmed through a signed affidavit and conform to program guidelines; • Liquid assets cannot exceed program guidelines; • Must execute a Dodd-Frank affidavit.

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<u>Refinance</u>

Borrowers must qualify for and otherwise meet all requirements for a first mortgage loan product originated by an Illinois Housing Development Authority (IHDA) Loan Program participating lender. Eligible first mortgage loans are 30-year fixed-rate loans from, insured or guaranteed by the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture Rural Development (USDA), Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac). Additional borrower eligibility requirements include:

Current income at or below 140% of area median income;
Credit score at or above 640;
Mortgage current/in good standing
Must execute a Dodd-Frank affidavit.

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<td>6. Property / Loan Eligibility Criteria</td>
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<u>Recast and Modification</u>

Owner-occupied and primary residence;
Properties can be up to four units;
Property types can include single-family homes, detached or attached houses, town homes, condos, mobile homes on permanent foundations recorded as real property;
Homeowners must carry a fixed rate mortgage or an adjustable rate mortgage;
Homeowners with interest-only or negative amortization mortgages can qualify if the modification/recast places them in a fully amortizing product; and
Unpaid principal balance at application cannot exceed $500,000.

<u>Refinance</u>

Single family attached or detached 1-2 unit;
Property purchase price must be within IHDA county purchase price limits as set forth in the DPA Program Guide;
Must be owner occupied and borrower’s primary residence;
Meet all applicable FHA, VA, USDA, Fannie Mae or Freddie Mac underwriting guidelines;
Post-assistance debt-to-income ratio must not exceed 45 percent;
Pre-assistance combined loan-to-value (CLTV) ratio must

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	be greater than 110%; • Borrowers must exit with a fixed rate mortgage; • Borrowers must exit with an LTV of 90% or greater; and • Unpaid principal balance at application cannot exceed $500,000.
7. Program Exclusions	Applicants unable to substantiate current income or failing to provide required program documentation as requested.
8. Structure of Assistance	<u>Recast and Modification</u> Assistance will be in the form of a non-amortizing, zero-percent interest, five-year forgivable loan. The forgivable loan will be recorded as a subordinate lien and will only be repaid if net equity proceeds exist in the event of sale or refinance. The loan will be forgiven on a monthly pro rata basis over the five-year term. <u>Refinance</u> Borrower's existing loan(s) will be refinanced into an IHDA fixed rate, 30-year mortgage. Assistance is structured as a one-time up-front installment evidenced by a promissory note with a three-year term. The assistance will be forgiven on a monthly pro-rata basis over the three-year term. Assistance is contingent upon eligibility for an IHDA-approved first mortgage. Any remaining funds will be returned to Treasury in accordance with the Agreement.
9. Per Household Assistance	Eligible borrowers may receive up to $50,000.00, not including leveraged servicer dollars. If an applicant also receives or received assistance through Illinois' Hardest Hit Fund Program Homeowner Emergency Loan Program (HHF HELP), their maximum total assistance amount from HHF HELP and HPP cannot exceed $85,000.00.
10. Duration of Assistance	Assistance under HPP is intended to be a one-time payment to the servicer or title company.
11. Estimated Number of Participating Households	Approximately 1,000-1,500 households.
12. Program Inception /	The Program launched in late 2012 and closed in early 2016. IHDA will reopen the Program within 90 days of the Twelfth

Duration	Amendment Date.
13. Program Interactions with Other HFA Programs	Households served under the National Foreclosure Mitigation Counseling (NFMC) program may also be reviewed for HPP. Notes purchased through the Mortgage Resolution Fund Program (MRF) program are ineligible for HPP assistance.
14. Program Interactions with HAMP	Clients denied for HHF HELP or Making Home Affordable (MHA) programs may be eligible for assistance through this Program. Clients approved for any HAMP or HARP with or without investor match may be eligible.
15. Program Leverage with Other Financial Resources	The Program will disburse funds up to $50,000.00 if the lien holder agrees to a loan modification, refinance, recast, or principal reduction that shows direct benefit to the borrower.

SERVICE SCHEDULE B-4

Illinois Housing Development Authority

Hardest Hit Fund Blight Reduction Program (BRP)

Summary Guidelines

1. Program Overview	The purpose of the Hardest Hit Fund Blight Reduction Program (“BRP”) is to decrease preventable foreclosures and stabilize neighborhoods by strategically targeting those residential areas with vacant and abandoned blighted residential properties in need of demolition and greening. The Illinois Housing Development Authority (“IHDA”) will work with units of government and their not-for-profit partner(s) within the state of Illinois to implement the program.
2. Program Goal	The goal of BRP is to decrease preventable foreclosures through neighborhood stabilization achieved through the demolition and greening of vacant, abandoned and blighted residential properties throughout Illinois. Such vacant, abandoned and blighted residential properties will be returned to use through a process overseen by approved units of government and their not-for-profit partner(s). IHDA will work with units of government and their not-for-profit partner(s) to identify and track meaningful indicators of program effectiveness throughout the life of the program.
3. Target Population / Areas	BRP activity will be limited to targeted areas approved by IHDA that are part of a comprehensive local strategy to stabilize home values and prevent foreclosures. IHDA guidelines will ensure that demolition and greening will have a positive effect on preserving existing neighborhoods.
4. Program Allocation (Excluding Administrative Expenses)	$17,000,000
5. Property Eligibility Criteria	IHDA will determine property eligibility per program guidelines. 1-4 unit residential properties, that are located in Illinois: • determined to be vacant and abandoned, and • qualify for lawful demolition.

	For any requests submitted on or after January 15, 2016, properties must not be legally occupied at the time of any review or approval by the HFA or Eligible Entity (as applicable) for blight elimination activity.
6. Ownership/Loan Eligibility Criteria	Title to the property must be held by the applicable not-for-profit partner such that: (i) the loan can be modified or extinguished and (ii) an enforceable lien can be placed on the property.
7. Program Exclusions	BRP funds cannot be used for the rehabilitation of existing residential structures, commercial structures, or properties listed on a national, state or local historic register.
8. Structure of Assistance	IHDA will determine project sites in direct consultation with the applicable not-for-profit partners. The applicable not-for-profit partners will be responsible for acquisition of the property (if necessary), demolition work and on-going property maintenance. Units of government and their not-for-profit partner(s) must submit in their application to IHDA for BRP funds, information including, but not limited to, the following: • A full and complete list of all properties the applicant seeks to make eligible; • Property ownership and/or acquisition information; • Pre-demolition inspection information, including, but not limited to any third party environmental inspection reports; • The post-demolition goal for each property; • Cost estimates and/or evidence of the expenditures on a per property basis including, but not limited to: (i) all eligible activities required to bring the property into compliance with program guidelines, (ii) removal of all debris, (iii) backfill of basements or cellars, and (iv) any necessary environmental remediation required by law; and • Any other miscellaneous information identified regarding the property (e.g., hazards, adverse findings, easements...etc.) Upon receipt of appropriate documentation confirming the completion of BRP activities, IHDA will provide Hardest Hit

	funding to the applicable partner after execution of a secured lien mortgage and note in favor of IHDA. The lien will be recorded in the public records and releases will be conducted by IHDA. The secured lien and notes will be structured as zero percent, non-amortizing loans, secured by a lien on the property. Loans will expire three years after their origination date ("Expiration Date"). Prior to the Expiration Date, loans will be forgiven at a rate of 33.3% per annum as long as covenants are met. In most cases, 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 Expiration Date. However, in certain cases, special considerations may be made by IHDA to release or subordinate its lien prior to the Expiration Date 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 outstanding balance 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. Prior to the Expiration Date, all proceeds will be due and payable to IHDA. All proceeds returned to the IHDA from the BRP will be recycled in accordance with the Agreement.
9. Per Property Assistance	$35,000 (per unit maximum) which may include the following on a per unit basis (if applicable): • Acquisition (purchase price, lien extinguishment, legal costs) • Closing costs (if applicable, *i.e.*, title, recording and transfer fees) • Demolition • Lot treatment/greening • Maintenance ($3,000 flat fee) • Administrative expenses ($1,750)
10. Duration of Assistance	One time assistance per property.
11. Estimated Number of Properties	Approximately 1,000 – 1,500. Program will be expanded if successful and funds are available.

12. Program Inception / Duration	The program launched in the Summer of 2015.
13. Program Interactions with Other HFA Programs	BRP will complement existing efforts of Illinois' Abandoned Properties Residential Property Municipality Relief Fund.
14. Program Interactions with HAMP	None
15. Program Leverage with Other Financial Resources	None

SERVICE SCHEDULE B-5

Illinois Housing Development Authority

Hardest Hit Fund Down Payment Assistance Program (HHF DPA Program)

Summary Guidelines

1. Program Overview	The Down Payment Assistance (DPA) Program will provide an incentive to qualified homebuyers to purchase a primary residence in targeted areas in Illinois. Providing incentives to qualified homebuyers in housing markets that have been hardest hit by serious delinquency, negative equity, distressed sales, and foreclosures will strengthen demand in those areas, stabilize housing prices and prevent future foreclosures.
2. Program Goal	The goal of the DPA Program is to help homeowners avoid foreclosure by assisting in the stabilization of housing prices in targeted areas. IHDA will identify and track meaningful indicators of program effectiveness that will enable them to quantify the DPA Program's impact in the targeted areas.
3. Target Population / Areas	Areas identified in the DPA Program Guide including: Boone, Cook, DeKalb, Fulton, Kane, Marion, McHenry, St. Clair, Will and Winnebago counties. IHDA evaluated five housing market distress indicators across all Illinois counties: Negative Equity Share, 90-Day Delinquency Rates, Foreclosure Rates, REO Rates, and Short Sale Rates. These counties exceed the statewide average in four out of five housing market distress indicators and a minimum threshold origination volume was achieved in these counties in 2014.
4. Program Allocation (Excluding Administrative Expenses)	$93,537,478
5. Borrower Eligibility Criteria	Borrowers must qualify for and meet all the requirements for a first mortgage loan product originated by an IHDA Loan Program participating lender. Eligible first mortgage loans are 30-year fixed-rate loans from, insured or guaranteed by the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture Rural Development (USDA), Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation

	(Freddie Mac). Additional borrower eligibility requirements include: • Present income at or below 140% of area median. • Must be first-time homebuyers. For purposes of the DPA Program, a first-time homebuyer is defined as someone who has not had an ownership interest in their primary residence in the past three years or qualifies under either a Veteran’s Exception (as defined in the DPA Program Guide) or is purchasing a home in an Federally Designated Targeted Area (as defined in the DPA Program Guide). • Complete a pre-purchase homebuyer education course (as defined in the DPA Program Guide). • Credit score at or above 640. • Debt-to-income (back end) ratio of 45 percent or lower. • Execute a Dodd-Frank affidavit.
6. Property / Loan Eligibility Criteria	Property criteria includes: • Single family 1-2 unit (including a factory-made home which is permanently affixed to real property permitted for FHA, VA or USDA only; not permitted for HFA preferred conventional); • Condominium unit (FHA, VA, Fannie Mae or Freddie Mac approved); must be warrantable. • Planned Unit Development; • Property purchase price must be within IHDA county purchase price limits as set forth in the DPA Program Guide; • Must be owner occupied and borrower’s primary residence; • Must be an existing residential dwelling (new construction excluded); and • Must be located in a DPA Program targeted area. Loan criteria includes: • Meet all applicable FHA, VA, USDA, Fannie Mae or Freddie Mac underwriting guidelines.
7. Program Exclusions	• Any second mortgage loans that do not meet the DPA Program eligibility requirements as set forth in the DPA Program Guide. • Non-purchase transactions.

8. Structure of Assistance	Assistance will be in the form of a non-amortizing, zero-percent interest, five-year forgivable loan. The forgivable loan will be evidenced by a note and a second mortgage in favor of IHDA. The loan will be recorded as a subordinate lien and will only be repaid in the event of a sale or refinance. The loan will be forgiven on a monthly pro rata basis for the five-year term. IHDA reserves the right to resubordinate the second mortgage as further detailed in the DPA program guide. In the event the property is refinanced or sold during any part of the loan term, the remaining balance of the loan will be due to IHDA. Remaining funds will be returned to Treasury.
9. Per Household Assistance	The fixed amount of assistance per homebuyer is $7,500.
10. Duration of Assistance	DPA Program funds will be used to reimburse the Master Servicer who purchases and pools all eligible loans from IHDA's participating lenders.
11. Estimated Number of Participating Households	IHDA anticipates that approximately 12,471 homebuyers will receive assistance. Note that IHDA has reallocated lien recoveries to the DPA Program and thus the number of homebuyers receiving assistance will likely surpass the estimate listed here.
12. Program Inception / Duration	The DPA Program will begin August 3, 2015 and funds will likely be utilized on or before December 31, 2021.
13. Program Interactions with Other HFA Programs	The DPA Program will utilize existing infrastructure of participating lenders who are already actively originating both IHDA's first mortgage and down payment assistance products. If the homebuyer has received HHF assistance under any other HHF program, the maximum amount of all HHF assistance may not exceed $57,500.
14. Program Interactions with HAMP	None.
15. Program Leverage with Other Financial Resources	IHDA has multiple secondary market executions including issuance of Tax-Exempt Bonds. In addition, funds may be leveraged by lenders using additional subsidy programs available.

SCHEDULE C
Permitted Administrative Expenses

	Illinois
One-time / Start-Up Expenses:	
Initial Personnel	$636,033
Professional Services	$10,600
Building, Equipment, Technology	$761,479
Supplies / Miscellaneous	$2,175
Marketing /Communications	$330
Travel	$41
Website development /Translation	$0
Contingency	$10,096
Subtotal	**$1,420,754**
Operating / Administrative Expenses:	
Salaries	$31,757,066
Professional Services	$2,827,292
Travel	$110,239
Buildings, Leases & Equipment	$3,383,760
Information Technology & Communications	$2,725,523
Office Supplies/Postage and Delivery/Subscriptions/Storage	$384,468
Risk Management	$0
Training	$56,792
Marketing/PR	$2,851,923
Miscellaneous	$995,310
Subtotal	**$45,092,373**
Transaction Related Expenses:	
Recording / Closing Fees	$7,025,406
Wire Transfer Fees	$1,527,274
Counseling Expenses	
File Intake	$0
Decision Costs	$0
Successful File	$13,213,409
Key Business Partners On-Going	$0
Subtotal	**$21,766,089**
Grand Total	**$68,279,216**

% of Total Award	**9.54%**
Award Amount	**$715,615,095**