

**SERVICE SCHEDULE B-1**

**NEW JERSEY HOMEKEEPER PROGRAM (NJHK)**

**Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>The New Jersey Housing and Mortgage Finance Agency (“NJHMFA” or the “Agency”) has created the New Jersey HomeKeeper Program (NJHK).</p> <p>This program will provide 0% interest rate, deferred-payment mortgage loans to eligible homeowners who, through no fault of their own, are at risk of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships including medical, divorce, disability or death. NJHK loan proceeds may be used to cover mortgage arrearages and/or an approved amount of homeowner monthly mortgage payments including principal and interest, property taxes, property insurance, mortgage insurance and, if applicable, homeowner association dues.</p> <p>The housing counseling agency shall recommend - and the NJHK staff shall review for approval – a plan of action for each homeowner that addresses the proposed use of NJHK mortgage loan proceeds for these key purposes:</p> <ul style="list-style-type: none"> <li>• One-time payment to settle mortgage arrearages for homeowners who experienced lost income due to a qualified hardship, and have since recovered but need help to bring their mortgage current; and/or</li> <li>• Payment of arrearages as needed and an approved amount of mortgage payment assistance.</li> </ul> <p>The maximum NJHK mortgage loan amount shall be \$48,000. All loan proceeds shall be held in escrow by the NJHK and may be used to pay existing mortgage arrearages and/or an approved amount of the homeowner's existing mortgage payments each month. Existing mortgage payments include principal and interest, property taxes, homeowner insurance, mortgage insurance and homeowner association dues (if any).</p>
<p><b>2. Program Goals</b></p>	<p>The goal of the NJHK Program is to promote neighborhood stability in New Jersey communities by providing assistance with mortgage arrears and mortgage payments to eligible homeowners who, through no fault of their own, are in danger</p>

	of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships.
<b>3. Target Population / Areas</b>	The program will be offered statewide.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$289,103,972
<b>5. Borrower Eligibility Criteria</b>	<p>Eligible homeowners are not subject to maximum household income limits.</p> <p>Homeowners must be, through no fault of their own, in danger of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships including medical, divorce, disability, or death. Homeowners must have experienced a loss of/reduction in income of at least 15%. In addition to meeting other program underwriting criteria, eligible homeowners:</p> <ul style="list-style-type: none"> <li>• May be current on mortgage payments but are expected to become delinquent within a 90-day period due to loss of employment income OR may be 30 days or more delinquent on mortgage payments due to loss of employment income;</li> <li>• Must provide a financial Hardship Affidavit attesting to their inability to make mortgage payments. Loss of employment must be documented in accordance with program underwriting requirements, including evidence from the state unemployment office or, if unavailable, a notarized letter from the former employer indicating the unemployment or underemployment was not the fault of the borrower;</li> <li>• Must show evidence of having made payments on their first mortgage loans;</li> <li>• Must be paying, as a result of an income loss due to a qualified hardship, 25% or more the of gross household income each month to cover all existing mortgage payments (including principal and interest, property taxes, homeowners insurance, mortgage insurance and, if applicable, homeowner association fees);</li> </ul>

	<ul style="list-style-type: none"> <li>• Must participate and cooperate in sessions with an NJHK-approved housing counseling agency, which will help provide advice on all available programs and solutions for the homeowner, including the NJHK; and</li> <li>• Homeowner must document employment status on a regular basis for employment related hardships in accordance with program requirements.</li> </ul> <p>NJHK assistance shall be provided on a first come, first served basis.</p>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<p>The eligible homeowner must own and occupy a home located in New Jersey.</p> <p>The home must contain one or two dwelling units, be an attached or detached house a condominium unit or a manufactured home on a foundation permanently affixed to real property owned by the homeowner.</p> <p>At the time of application, the unpaid principal balance on existing mortgages on the home must not exceed \$429,619 for a one-unit dwelling or \$550,005 for a two unit dwelling.</p>
<p><b>7. Program Exclusions</b></p>	<p>Homeowners owning other residential real estate at the time of application are ineligible.</p> <p>Homeowner has liquid assets (excluding retirement assets and education savings plans) equal to or greater than the amount of Program assistance.</p> <p>Homeowner cannot be involved in an active or open bankruptcy.</p>
<p><b>8. Structure of Assistance</b></p>	<p>Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 10-year loan. The loan will be non-recourse, secured by a mortgage that will be recorded and take a junior lien position on the home. After the fifth year of the closing date of the Program loan, the Program loan amount shall be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.</p> <p>All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient</p>

	<p>proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</p> <p>Any funds repaid to NJHMFA by recipients in accordance with established Program guidelines will be returned to the program in accordance with the Agreement.</p>
<b>9. Per Household Assistance</b>	The maximum amount of assistance under this program is \$48,000 per household, of which no more than \$36,000 may be for monthly payment assistance. The historical average NJHK mortgage loan amount per household is \$37,100.
<b>10. Duration of Assistance</b>	Each borrower may receive up to 12 months of monthly payment assistance. Any reinstatement/arrearage assistance will be a one-time payment.
<b>11. Estimated Number of Participating Households</b>	The estimated number of participating households is approximately 7,792 based on the historical average assistance loan amounts.
<b>12. Program Inception / Duration</b>	It is anticipated that the program will relaunch within 90 days of the Ninth Amendment Date. The program will continue until December 31, 2020 or until funding is fully reserved, whichever comes first.
<b>13. Program Interactions with Other HFA Programs</b>	<p>Homeowners shall be provided all available options for assistance during their sessions with participating housing counseling agencies.</p> <p>Eligible homeowners may benefit from other Agency Hardest Hit Fund programs provided the total benefit from all Hardest Hit Fund programs does not exceed \$98,000.</p>
<b>14. Program Interactions with HAMP</b>	Homeowners shall be provided all available options for assistance during their sessions with participating housing counseling agencies, including HAMP, as applicable.
<b>15. Program Leverage with Other Financial Resources</b>	None

**SERVICE SCHEDULE B-2**

**NEW JERSEY HOME SAVER PROGRAM**

**SUMMARY GUIDELINES**

<b>1. Program Overview</b>	The New Jersey Housing and Mortgage Finance Agency (“NJHMFA” or the “Agency”) has created the New Jersey Home Saver Program (“HSP” or the “Program”). This program will leverage HSP funds to facilitate a refinance, recast, or permanent modification of the first mortgage loan through a principal reduction and/or reinstatement payment to bring the household monthly payment to an affordable level.
<b>2. Program Goals</b>	The goal of the Program is to achieve long-term mortgage sustainability by leveraging HSF funds to facilitate a first mortgage loan modification, recast, and/or refinance, thus reducing the likelihood of mortgage delinquency and/or default.
<b>3. Target Population or Areas</b>	The Program aims to serve homeowners throughout New Jersey.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$35,000,000
<b>5. Borrower Eligibility Criteria</b>	<p>Eligible homeowners must be at risk of foreclosure due to recent unemployment, loss of/reduction in income through no fault of their own, or other demonstrated financial hardships as defined in the Program guidelines. A pre-assistance LTV ratio of 115% or greater is considered a financial hardship indicative of imminent default. Homeowners will be required to provide a financial hardship affidavit with appropriate documentation on the cause of the hardship.</p> <p>Homeowner has a pre-assistance housing debt-to-income (“HDTI”) ratio greater than 38% of the gross household income and/or a pre-assistance loan-to-value (“LTV”) ratio greater than 115%. Homeowners with pre-assistance LTV ratios greater than 115% must have a pre-assistance HDTI of 28% or more. Homeowner has a post-assistance HDTI ratio no greater than 45% of the gross household income. On a case-by-case basis, NJHMFA reserves the right to review and approve homeowners whose investor program guidelines that utilize post-assistance HDTI ratios greater than 45%. In no case will a homeowner’s post-assistance HDTI be reduced below 25%.</p>

	<p>Homeowner must own and occupy a one- to three-family residential property that is the homeowner’s primary residence. Homeowner agrees to provide all necessary documentation to satisfy the Program guidelines within the timeframes established by the Agency.</p>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<p>Eligible property is the homeowner’s primary residence located in New Jersey, and it must be a one- to three-family residential property. It must be attached or be a condominium unit. Manufactured homes are eligible if on a foundation permanently affixed to real property owned by the homeowner and secured by a real property first mortgage loan.</p> <p>At the time of application, the unpaid principal balance on existing mortgages on the home must not exceed \$429,619 for a one-unit dwelling or \$550,005 for a two-unit or three-unit dwelling.</p> <p>Homeowners must carry a first mortgage and if the homeowner’s first mortgage is an interest-only or negative amortization mortgage, the homeowner can qualify for assistance under the Program only if the refinance, recast and/or permanent modification places them in a fully amortizing mortgage loan product.</p> <p>If the qualifying first lien mortgage is delinquent, the loan servicer must utilize the Program monies to bring the first lien mortgage loan current before applying Program monies to the homeowner’s principal balance.</p> <p>The loan servicer will reduce the qualifying principal balance in conjunction with a loan refinance, recast or modification in the amount needed (up to the maximum per household assistance) to help the homeowner establish an appropriate level of affordability and/or mortgage debt. Such loan refinances, recasts or modifications must meet the Program guidelines.</p> <p>Loans in foreclosure may be eligible.</p>
<p><b>7. Program Exclusions</b></p>	<p>The homeowner cannot be involved in an active or open bankruptcy.</p> <p>The homeowner cannot own any other residential real property. Homeowner fails to satisfy lender underwriting guidelines.</p> <p>Homeowner has a post-assistance LTV ratio that is greater than 160% or less than 100%. The post-assistance LTV may only be less than 100% if it is necessary to get the homeowner to an</p>

	<p>affordable monthly payment. Under no circumstance can the post-assistance LTV be less than 80%.</p> <p>Homeowner has liquid assets (excluding retirement assets) equal to or greater than the amount of Program assistance.</p>
<b>8. Structure of Assistance</b>	<p>Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 10-year loan. The loan will be non-recourse, secured by a mortgage that will be recorded and take a junior lien position on the home. After the fifth year of the closing date of the Program loan, the Program loan amount shall be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.</p> <p>All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</p> <p>Any funds repaid to NJHMFA by recipients in accordance with established Program guidelines will be returned to the program in accordance with the Agreement.</p>
<b>9. Per Household Assistance</b>	The maximum assistance is \$50,000 per household.
<b>10. Duration of Assistance</b>	Assistance under HSP is intended to be a one-time payment to the servicer.
<b>11. Estimated Number of Participating Households</b>	700 households based on a maximum loan amount of \$50,000.
<b>12. Program Inception/ Duration</b>	The launch of the Program is expected to begin on or about June 1, 2015; the program will last until December 31, 2020 or until all funds are exhausted.
<b>13. Program Interactions With Other Programs</b>	Eligible homeowners may benefit from other Agency Hardest Hit Fund programs provided the total benefit from all Hardest Hit Fund programs does not exceed \$98,000.
<b>14. Program Interactions With HAMP</b>	The Program may work in conjunction with the federal Home Affordable Modification Program (“HAMP”) modification and

	other federal Making Home Affordable programs and servicer foreclosure prevention initiatives to help eligible homeowners achieve desired income ratios and affordability. In any of these programs, Program assistance may not be used to cover the applicable costs of investor or servicer incentive compensation.
<b>15. Program Leverage With Other Financial Resources</b>	The Program will require that the loan servicer waive all accrued and unpaid late charges and non-sufficient funds fees at the time the modification agreement is completed. The Program will require the loan servicer to waive any associated recast or modification fee.



**SERVICE SCHEDULE B-3**

**NEW JERSEY**

**HOMESEEKER DOWN PAYMENT ASSISTANCE (DPA) PROGRAM**

**SUMMARY GUIDELINES**

<b>1. Program Overview</b>	<p>The HomeSeeker Down Payment Assistance (“DPA”) Program will provide an incentive to qualified homebuyers to purchase a primary residence in targeted areas in New Jersey.</p> <p>HomeSeeker DPA loans are only available to eligible homebuyers who obtain first mortgage financing through New Jersey Housing and Mortgage Finance Agency’s (“NJHMFA”) Single Family mortgage program.</p>
<b>2. Program Goals</b>	<p>The goal of the HomeSeeker DPA Program is to provide an incentive to encourage homebuyers, who are already planning to buy a home, to choose a property within a targeted hardest hit neighborhood. Encouraging homeownership in housing markets that have been hardest hit by foreclosures will strengthen demand in those areas, stabilize the housing market and prevent future foreclosures.</p> <p>NJHMFA will identify meaningful indicators that will enable them to track and quantify the HomeSeeker DPA Program’s impact in the targeted areas.</p>
<b>3. Target Population / Areas</b>	<p>The HomeSeeker DPA Program will target eight (8) counties in the State of New Jersey (“State”) that have been impacted by the State’s foreclosure crisis. NJHMFA evaluated all 21 New Jersey counties and identified the targeted areas based on seriously delinquent mortgage loans, negative equity, short sales, REO sales and foreclosures.</p> <p>The eight (8) targeted counties exceeded the statewide average in at least four out of five distressed housing market indicators, and have a minimum threshold origination volume in the NJHMFA Single Family mortgage program greater than twenty for 2016.</p> <p>The following counties are the targeted hardest hit areas: Atlantic, Burlington, Camden, Essex, Gloucester, Mercer, Passaic, and Union (each a “Target Area”).</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$46,378,092

<p><b>5. Borrower Eligibility Criteria</b></p>	<p>Eligible borrowers must qualify for and meet all the requirements for a NJHMFA first time homebuyers mortgage loan originated by NJHMFA or through a participating lender. Allowable first mortgage loans are 30-year, fixed-rate loans from the Federal Housing Administration (FHA), Veterans Administration (VA), U.S. Department of Agriculture – Rural Development (USDA), Fannie Mae and Freddie Mac. Eligible borrowers must also meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Borrower income must not exceed 140% of the Area Median Income.</li> <li>• Borrowers must be first-time homebuyers. For purposes of the HomeSeeker DPA Program, a first-time homebuyer is defined as someone who has not had an ownership interest in (not listed on the deed of) their primary residence during the previous three years, unless qualifying under a Veteran’s Exception or purchasing a home in a Federally Designated Targeted Area.</li> <li>• Homeownership counseling is required for all homebuyers.</li> <li>• Borrowers must be credit-worthy and meet minimum FICO scores and must not exceed a maximum debt-to-income (DTI) ratio as specified in the DPA Program Guide.</li> <li>• Borrowers must execute a Dodd-Frank Act affidavit.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• The property must be a single-family home, a condominium unit, a townhome, manufactured or mobile home which is permanently affixed to real property owned by the borrower, or a two-four family dwelling unit of which one unit is to be occupied by the mortgagor as his or her principal residence.</li> <li>• Must be borrower’s primary residence.</li> <li>• Property must be located in a Target Area.</li> <li>• Property must be an existing residential dwelling (new construction excluded).</li> <li>• Property must not exceed the maximum purchase price limits of \$437,349 for existing one family dwellings or \$559,854 for existing two – four family dwellings.</li> <li>• Meet all applicable HomeSeeker DPA Program, Ginnie Mae, Agency (FHA, VA, USDA-RD) or GSE (Fannie Mae &amp; Freddie Mac) underwriting guidelines.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<p>Borrowers, properties and loans not meeting HomeSeeker DPA Program eligibility requirements as specified in the HomeSeeker DPA underwriting guidelines or Agency/GSE underwriting criteria.</p>

	Dodd-Frank Act exclusion for having been convicted of a mortgage-related felony in the past ten years.
<b>8. Structure of Assistance</b>	<p>Down payment assistance, including reasonable and customary closing costs, will be in the form of a zero-percent interest rate, five (5) year forgivable loan. The loan will be evidenced by a note and a second mortgage in favor of NJHMFA.</p> <p>If the Borrower continuously resides in the premises, as his/her principal residence for five (5) years from the date of the closing of the loan, the loan will have been deemed satisfied and a cancellation of mortgage or release of lien will be issued to the Borrower.</p> <p>If the Borrower conveys, refinances or ceases to occupy the premises as his/her principal residence, all or a portion of the unforgiven loan funds will be due and payable from net equity proceeds. Any funds repaid to NJHMFA will be reutilized to assist additional Borrowers in accordance with the Agreement.</p>
<b>9. Per Household Assistance</b>	\$10,000
<b>10. Duration of Assistance</b>	HomeSeeker DPA Program funds will be used to reimburse NJHMFA or the participating lenders who prefunds the loan at closing once it is determined that all HomeSeeker DPA Program requirements have been met.
<b>11. Estimated Number of Participating Households</b>	It is anticipated that the HomeSeeker DPA Program will assist approximately 4,136 households.
<b>12. Program Inception / Duration</b>	It is anticipated that the program changes will be implemented within 30 days of approval from Treasury. The program will continue until December 31, 2020 or until funding is fully reserved, whichever comes first.
<b>13. Program Interactions with Other HFA Programs</b>	<p>The HomeSeeker DPA program will utilize existing infrastructure of participating lenders who are already actively originating both NJHMFA's first mortgage and down payment assistance loans. If the borrower has received HHF assistance under any other HHF program, they will be excluded from receiving assistance under the HomeSeeker DPA Program.</p> <p>Any borrower receiving funds from the HomeSeeker DPA program will not be eligible for other down payment assistance programs offered or administered by the NJHMFA.</p>

<b>14. Program Interactions with HAMP</b>	None.
<b>15. Program Leverage with Other Financial Resources</b>	NJHMFA often uses tax-exempt bonds as a source of funding for the accompanying first mortgage loans. In addition, funds may be leveraged by lenders using additional subsidy programs available.

**SCHEDULE C**  
**PERMITTED EXPENSES**

	New Jersey
<b><i>One-time / Start-Up Expenses:</i></b>	
Initial Personnel	\$378,705.00
Building, Equipment, Technology	\$117,654.00
Professional Services	\$13,000.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$2,613.00
Travel	\$0.00
Website development /Translation	\$759.00
Contingency	\$767,259.00
<b>Subtotal</b>	<b>\$1,279,990.00</b>
<b><i>Operating / Administrative Expenses:</i></b>	
Salaries	\$12,525,000.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$4,300,139.00
Travel	\$25,000.00
Buildings, Leases & Equipment	\$150,000.00
Information Technology & Communications	\$2,500,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$125,000.00
Risk Management/ Insurance	\$.00

Training	\$25,000.00
Marketing/PR	\$438,613.00
Miscellaneous	\$100,000.00
<b>Subtotal</b>	<b>\$20,188,752.00</b>
<b>Transaction Related Expenses:</b>	
Recording Fees	\$6,636,248.00
Wire Transfer Fees	\$200,000.00
<b>Counseling Expenses</b>	
File Intake	\$15,000,000.00
Decision Costs	\$0.00
Successful File	\$0.00
Key Business Partners On-Going	\$1,725,000.00
<b>Subtotal</b>	<b>\$23,561,248.00</b>
<b>Grand Total</b>	<b>\$45,029,990.00</b>
<b>% of Total Award</b>	<b>10.84%</b>
<b>Award Amount</b>	\$415,512,054.00