COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
and
HFA PARTICIPATION AGREEMENT

This Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Agreement") is entered into as of the Effective Date (defined below), 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"). Certain information relating to HFA and Eligible Entity is set forth in Schedule A attached hereto.

Recitals

WHEREAS, Treasury has established several programs under sections 101 and 109 of the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time ("EESA"), to stabilize the housing market by facilitating mortgage loan modifications to prevent avoidable foreclosures, including through providing home price decline protection incentives, encouraging foreclosure alternatives, such as short sales and deeds in lieu of foreclosure, and making other foreclosure prevention services available to the marketplace;

WHEREAS, the U.S. Department of Housing and Urban Development, as the nation's housing agency, has partnered with Treasury in the administration's response to the mortgage and foreclosure crisis;

WHEREAS, as a component of this partnership Treasury has created a federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the "HHF Program") as an additional program pursuant to EESA;

WHEREAS, Treasury has requested proposals from state housing finance agencies in designated states for the use of funds allocated to the HHF Program to develop and implement innovative housing initiatives tailored to their local conditions to help prevent foreclosures and stabilize housing markets, including individual programs targeting unemployed borrowers, "underwater" borrowers and second lien relief;

WHEREAS, HFA or Eligible Entity has submitted a proposal to Treasury outlining certain programs to utilize HHF Program funds, which programs are described in the Service Schedules attached hereto as Schedule B;

WHEREAS, as required under EESA, HFA has designated Eligible Entity as the financial institution to receive HHF Program funds and act to implement the Services (as defined below);

WHEREAS, HFA and Eligible Entity wish to participate in the HHF Program on the terms and subject to the conditions set forth herein;

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. Services

A. Eligible Entity shall (i) contemporaneously with the execution and delivery of this Agreement, deliver a fully executed Financial Instrument (the "Financial Instrument") to Treasury evidencing its obligations under this Agreement, in the form attached hereto as Exhibit A; (ii) perform the duties and obligations set forth in this Agreement and the Financial Instrument; and (iii) provide and perform (or engage qualified vendors to provide and perform) the Services described in the Service Schedules (as defined below).

B. Contemporaneously with the execution and delivery of this Agreement, HFA and Eligible Entity shall deliver to Treasury multiple schedules (each a "Service Schedule" and together, the "Service Schedules") describing the services (the "Services") to be performed by Eligible Entity under the HHF Program. The Service Schedules will be numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq., and are referenced herein, collectively, as Schedule B.

C. Contemporaneously with the execution and delivery of this Agreement, HFA and Eligible Entity shall also deliver to Treasury a budget detailing the administrative expenses necessary to carry out the Services (the "Permitted Expenses"). The budget detailing the Permitted Expenses is attached hereto as Schedule C. Neither HFA nor Eligible Entity shall expend HHF Program funds for administrative expenses in excess of the total amount of the Permitted Expenses (reasonable variances between line items being permitted) without the prior consent of Treasury, which may be withheld in Treasury's sole discretion. Additionally, all administrative expenses paid with HHF Program funds shall be accounted for and are subject to OMB Circular A-87 (revised 5/4/95, as further amended 8/29/97), which can be found at http://www.whitehouse.gov/omb/rewrite/circulars/a087/a087-all.html.

2. Representations, Warranties and Covenants

A. HFA and Eligible Entity. HFA and Eligible Entity, each for themselves, 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 hereunder.

(1) HFA and Eligible Entity each represent and warrant that it is in compliance with, and covenants that all Services will be performed in compliance with, EESA and all Federal, state and local laws, regulations, regulatory guidance, statutes, ordinances, codes

and requirements, applicable to the provision of the Services by HFA and Eligible Entity, or its officers, employees, agents or contractors, including, but not limited to, the Truth in Lending Act, 15 U.S.C. §1601 et seq., the Home Ownership and Equity Protection Act, 15 U.S.C. § 1639, the Federal Trade Commission Act, 15 U.S.C. § 41 et seq., the Equal Credit Opportunity Act, 15 U.S.C. § 701 et seq., the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., the Real Estate Settlement Procedures Act, 12 U.S.C. §2601 et seq., the Fair Housing Act, 42 U.S.C. §3601, the Gramm Leach Bliley Act, 15 U.S.C. §6801-6809, and §§ 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act"), 15 U.S.C. §§ 1681m(e) and 1681c(h), and all other Federal and state laws and regulations applicable thereto, including, without limitation, those designed to prevent unfair, discriminatory or predatory lending practices, tenant rights and licensing (collectively, the "Applicable Laws").

(2) The performance of the Services will not conflict with, or be prohibited in any way by, the Applicable Laws or any agreement or restriction by which HFA or Eligible Entity is bound. Neither HFA nor Eligible Entity is aware of any other legal, financial or other impediments to performing the Services or its obligations under this Agreement, and shall promptly notify Treasury of any such impediments which may impair its ability to perform the Services or its obligations under this Agreement, as applicable. Neither HFA nor Eligible Entity is delinquent on any Federal tax obligation or any other debt owed to the United States or collected by the United States for the benefit of others, excluding any debts or obligations that are being contested by it in good faith.

(3) Neither HFA nor Eligible Entity has received written notice of any action, suit, restraining order, injunction, investigation, proceeding or inquiry at law or in equity, pending or threatened, by or before any judicial, quasi-judicial, legislative or administrative court, agency or authority, or any arbitrator, nor to the best of HFA's and Eligible Entity's knowledge is there any basis for any of the foregoing, wherein an unfavorable determination, ruling or finding would materially adversely affect the validity or enforceability of this Agreement, the Financial Instrument or the ability of HFA or Eligible Entity to perform its respective obligations hereunder and thereunder.

(4) HFA and Eligible Entity each covenants that: (i) it will perform its obligations in accordance with this Agreement and Applicable Laws, and will promptly provide such performance or other reporting as may be required by Treasury, the Government Accountability Office ("GAO"), Congressional Oversight Panel or the Special Inspector General of the Troubled Asset Relief Program ("SIGTARP"); (ii) it will maintain complete, accurate and appropriate records of, and supporting documentation for, all Services provided in connection with the HHF Program; (iii) all Services will be offered and performed in accordance with the Service Schedules, fully documented and serviced, or otherwise performed, in accordance with this Agreement and EESA; and (iv) all data, collection information and other information reported by HFA or Eligible Entity to Treasury under this Agreement, including, but not limited to, information that is relied upon by Treasury in calculating the Purchase Price (as defined below) or in performing any compliance review will be true, complete and accurate in all material respects, and consistent with all relevant business records, as and when provided.

(5) HFA and Eligible Entity each covenants that it will: (i) perform the Services and obligations required under this Agreement in accordance with the practices, high professional standards of care, and degree of attention used in a well-managed operation, and no less than that which HFA or Eligible Entity exercises or would exercise for itself under similar circumstances; and (ii) use qualified individuals with suitable training, education, experience and skills to perform the Services. HFA and Eligible Entity each acknowledges that HHF Program participation may require changes to, or the augmentation of, its systems, staffing and procedures, and covenants and agrees to take all reasonable actions necessary to ensure it has the capacity to implement the Services in accordance with this Agreement.

(6) HFA and Eligible Entity each covenants that it will comply with all regulations on conflicts of interest that are applicable to HFA or Eligible Entity, as the case may be, in connection with the conduct of its business and performance of the Services and all conflicts of interest and non-disclosure obligations and restrictions and related mitigation procedures set forth in this Agreement.

(7) HFA and Eligible Entity each acknowledges that the provision of false or misleading information to Treasury in connection with the HHF Program or the Services may constitute a violation of: (a) Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or (b) the civil False Claims Act (31 U.S.C. §§ 3729-3733). HFA and Eligible Entity each covenants to immediately disclose to Treasury any discovered credible evidence, in connection with this Agreement and the Services, that a management official, employee, or contractor of Eligible Entity has committed, or may have committed, a violation of the referenced statutes or other wrongdoing.

(8) HFA and Eligible Entity each covenants to disclose to Treasury any other material facts or information in its possession that Treasury should expect to know about HFA or Eligible Entity or its employees, management officials or contractors to help protect the reputational interests of Treasury in connection with the HHF Program.

(9) HFA and Eligible Entity shall each be responsible for the supervision and management of any contractor it engages to assist in the performance of the Services or any obligation under this Agreement. HFA or Eligible Entity, as applicable, shall remove and replace any contractor that it deems as failing to perform. HFA and Eligible Entity shall each ensure that all of its contractors comply with the terms and provisions of this Agreement. Each of HFA and Eligible Entity shall be responsible for the acts or omissions of its respective contractors as if the acts or omissions were by the HFA or Eligible Entity, respectively.

(10) HFA and Eligible Entity each covenants that it will timely inform Treasury of any anticipated or actual Event of Default and of any suspected or actual Act of Bad Faith (defined below).

(11) HFA and Eligible Entity each acknowledges that Treasury may be required to respond, pursuant to the Privacy Act of 1974 (the "Privacy Act"), 5 U.S.C. § 552a, to

inquiries from borrowers and, pursuant to the Freedom of Information Act (the "Freedom of Information Act"), 5 U.S.C. § 552, to inquiries from other parties, as well as formal inquiries from Congressional committees and members, the Government Accounting Office, Inspectors General and other government entities, as well as media and consumer advocacy group inquiries about the HHF Program and its effectiveness. HFA and Eligible Entity each covenants that it will respond promptly and accurately to all search requests made by Treasury, comply with any related procedures which Treasury may establish, and provide related training to employees and contractors.

(12) HFA and Eligible Entity each acknowledges that Treasury, SIGTARP, GAO and other parties designated by Treasury or under Applicable Laws shall have the right during normal business hours to conduct unannounced, informal onsite visits and to conduct formal onsite and offsite physical, personnel and information technology testing, security reviews, and audits of HFA and/or Eligible Entity and to examine all books, records and data related to the Services provided and Purchase Price received in connection with the Services.

(13) HFA and Eligible Entity each covenants that it will promptly take corrective and remedial actions associated with reporting and reviews as directed by Treasury or its designee and provide to Treasury evidence of the effective implementation of corrective and remedial actions as Treasury shall require. HFA and Eligible Entity each acknowledges that Treasury may conduct additional reviews based on its findings and the corrective actions taken by HFA and/or Eligible Entity.

(14) In addition to any obligation to retain financial and accounting records under Applicable Laws, HFA and Eligible Entity each covenants to retain all data, books, reports, documents, audit logs and records, including electronic records, or copies thereof, related to its obligations under this Agreement and the performance of the Services, as applicable. In addition, HFA and Eligible Entity each agrees to maintain a copy of all computer systems and application software necessary to review and analyze these electronic records or copies of such records. Unless otherwise directed by Treasury, HFA and Eligible Entity shall each retain these records for at least three (3) years from the End of Term, or for such longer period as may be required pursuant to Applicable Laws. Treasury may also notify HFA and/or Eligible Entity from time to time of any additional record retention requirements resulting from litigation and regulatory investigations in which Treasury or any agents of the United States may have an interest, and HFA and Eligible Entity each agrees to comply with these litigation and regulatory investigations requirements. "End of Term" shall mean the date that the Services performed under all Service Schedules are fully complete, excluding administrative functions (e.g. the last homeowner is assisted and any loan provided to such homeowner is either repaid or fully forgiven).

(15) HFA and Eligible Entity shall each provide a bring-down certificate as to its continuing compliance with, and the truth and accuracy of, the representations and warranties set forth in this Agreement and the Financial Instrument, as applicable, annually, on each anniversary of the Effective Date during the Term (as defined below), in the form attached hereto as Exhibit B-1 with respect to the HFA (the "HFA

Certification") and Exhibit B-2 with respect to the Eligible Entity (the "Eligible Entity Certification").

B. Eligible Entity. Additionally, Eligible Entity hereby makes 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 Eligible Entity. In the event that any of the representations or warranties made herein ceases to be true and correct or Eligible Entity breaches any of its covenants made herein, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

(1) Eligible Entity constitutes a "financial institution" as such term is defined in section 3(5) of EESA, has the legal power to receive funds from Treasury under the HHF Program, and has been designated by HFA to, and hereby agrees to, provide the Services and implement HFA's proposal to Treasury under the HHF Program.

(2) Eligible Entity is established under the laws of the United States or any state, territory, or possession of the United States or the District of Columbia, has significant operations in the United States and is not an agency or instrumentality of, or owned directly or indirectly by, any foreign government.

(3) Eligible Entity is duly formed and validly existing and has the full corporate power and authority to enter into, execute, and deliver this Agreement, the Financial Instrument and any other closing documentation delivered to Treasury in connection with this Agreement or the Financial Instrument, and to perform its obligations hereunder and thereunder. Eligible Entity has, and its officers, employees, agents and contractors providing the Services have, or will have prior to performing the Services, obtained all licenses and any other approvals or consents required by law to carry on its business as now being conducted and as contemplated by this Agreement.

C. HFA. Additionally, HFA hereby makes 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. In the event that any of the representations or warranties made herein cease to be true and correct or HFA breaches any of its covenants made herein, HFA agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

(1) HFA is an instrumentality of the State as indicated in Schedule A.

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

D. Representations and Warranties. The foregoing representations and warranties set forth in this Section 2 are hereby qualified and/or limited by the provisions set forth in Schedule D attached hereto and incorporated herein.

3. Agreement to Purchase Financial Instrument; Payment of Purchase Price; Grant of Security Interest

A. Treasury shall purchase, and Eligible Entity shall sell to Treasury, the Financial Instrument that is executed and delivered by Eligible Entity in the form attached hereto as Exhibit A, in consideration for the payment by Treasury of such amount as shall be set forth in Schedule A as the Purchase Price (the "Purchase Price"). Payment of the Purchase Price by Treasury shall be made in draws (each, a "Capital Draw" and collectively, the "Capital Draws"). In order to make a Capital Draw, Eligible Entity shall submit to Treasury and its designee a request for payment (a "Capital Draw Request") no less than ten (10) business days prior to the date such Capital Draw is requested to be paid. Notwithstanding anything in the Service Schedules to the contrary, Treasury shall not approve a Capital Draw Request for a Capital Draw in an amount less than 2.5%, or more than 20%, of the Program Participation Cap (defined below). In addition, no Capital Draw Requests shall be approved by Treasury so long as Eligible Entity has HHF Program funds on hand of more than 5% of the Program Participation Cap. The form of Capital Draw Request is attached hereto as Exhibit C.

B. The conditions precedent Treasury's execution and delivery of this Agreement and the payment by Treasury of the first Capital Draw are: (i) HFA's execution and delivery of this Agreement with attached complete and approved Service Schedules, Exhibits and any other closing documents, certificates or legal opinions as shall be required by Treasury to be delivered by HFA; (ii) Eligible Entity's execution and delivery of this Agreement with attached complete and approved Service Schedules, Exhibits, the Financial Instrument and any other closing documents, certificates or legal opinions as shall be required by Treasury to be delivered by Eligible Entity; (iii) the delivery of a legal opinion of counsel to HFA, which may be internal legal counsel, in substantially the form attached hereto as Exhibit D-1; and (iv) the delivery of a legal opinion of counsel to Eligible Entity, which may be internal legal counsel, in substantially the form attached hereto as Exhibit D-2.

C. The conditions precedent to payment by Treasury of any subsequent Capital Draws are: (i) delivery to Treasury and its designee of an executed and completed Capital Draw Request using the form attached hereto as Exhibit C, without modification other than completing requested information fields, and any certifications or information as may be required by Treasury or its designee; (ii) the performance by Eligible Entity of the Services described in the Service Schedules, in accordance with the terms and conditions of this Agreement, to the satisfaction of Treasury; and (iii) the satisfaction by HFA and Eligible Entity of such other obligations as are set forth in this Agreement.

D. The value of this Agreement is limited to the amount set forth in Schedule A as the Purchase Price (the "Program Participation Cap"). Accordingly, the aggregate Purchase Price payable to Eligible Entity under this Agreement with respect to all Services described on the Service Schedules may not exceed the amount of the Program Participation Cap.

E. In the event of a discrepancy or error in the amount of the Purchase Price paid hereunder, at Treasury's election, (i) Eligible Entity shall remit to Treasury the amount of any overpayment within ten (10) business days of receiving a refund request from Treasury,

or (ii) Treasury may offset the amount of the overpayment against the next Capital Draw, upon written notice to Eligible Entity. It is understood that HFA shall not be required to advance any funds pursuant to this subsection.

F. At the election of Treasury and with prior notice to Eligible Entity, Treasury may deduct from any amount payable to Eligible Entity any amount that Eligible Entity or HFA is obligated to reimburse Treasury or the United States government.

G. The proceeds of each Capital Draw shall be deposited in an account (the "Depository Account") held by The Bank of New York Mellon or such other depository institution chosen by Treasury in its sole discretion (the "Depository"), the account title, account number and other identifying information for which are provided in Schedule A. The Depository Account shall be used as Eligible Entity's operating account for its performance of the Services and other obligations set forth in the Financial Instrument and this Agreement. As security for the performance of the Services and the other obligations of Eligible Entity under this Agreement and the Financial Instrument, Eligible Entity hereby grants to Treasury a first lien priority security interest in the Depository Account and in any moneys, or investments, if any, held therein. Eligible Entity shall enter into a deposit account control agreement with Treasury and the Depository, in form and substance acceptable to Treasury. Eligible Entity shall file a financing statement (and any continuation thereof required by law to maintain the perfection of the lien) identifying Eligible Entity as "debtor," Treasury as "secured party" and describing the Depository Account in the UCC filing office for perfecting non-possessory security interests in tangible and intangible personal property of Eligible Entity or such other filing offices as Treasury may require. Copies of all filings and continuation statements shall be provided to Treasury promptly after filing. Funds held in the Depository Account may be invested in: (i) Cash, (ii) bank deposits, (iii) United States Treasury securities with maturities of not more than ninety (90) calendar days, (iv) money market mutual funds that (a) are registered with the SEC and regulated under Rule 2a-7 promulgated under the Investment Company Act of 1940 and (b) invested exclusively in direct obligations of the United States of America or obligations the prompt payment of the principal of and interest on which is unconditionally guaranteed by the United States of America and (v) any other investment approved by Treasury in writing.

4. Oversight; Internal Control Program

A. HFA shall develop and maintain operational and performance metrics and maintain a detailed financial reporting system to track, to the satisfaction of Treasury, homeowners receiving assistance from Eligible Entity, including metrics used to measure the effectiveness of the Services against the stated objectives of Treasury and HFA pursuant to the Service Schedules. Such information shall be compiled into a report in a form that will be provided by Treasury and may be modified from time to time as Treasury determines (the "Performance Report"); provided that Treasury, in its sole discretion, may modify the form of the Performance Report at any time. HFA shall submit the Performance Report to Treasury or its designee on a periodic basis and as otherwise requested by Treasury and shall also post the completed Performance Report to its website quarterly (based on a calendar year) by the fifteenth (15th) day of the second month following the end of such quarter. Treasury, in its sole discretion, may request that HFA modify its performance criteria or seek

additional metrics as necessary. Treasury may make any or all data reported by HFA available to the public. It is Treasury's policy not to release personal indentifying information in its possession unless required to do so by law.

B. Eligible Entity shall develop, enforce and review on a quarterly basis for effectiveness, an internal control program designed to minimize the risk of fraud, mitigate conflicts of interest, maximize operational efficiency and effectiveness and ensure effective delivery of Services and compliance with this Agreement, EESA and Applicable Laws to the satisfaction of Treasury (the "Internal Control Program"). The Internal Control Program must include documentation of the control objectives for the Services, the associated control techniques, and mechanisms for testing and validating the controls. Eligible Entity shall monitor its contractors, if any, as part of the Internal Control Program. Eligible Entity shall certify, and provide an independent verification of the effectiveness of the Internal Control Program in accordance with a reporting form that will be provided by Treasury and may be modified from time to time as Treasury determines, at least annually no later than one hundred twenty (120) days after the end of Eligible Entity's fiscal year, including an assessment prior to the initial distribution of funds to perform Services, or at a reasonable time thereafter with the consent of Treasury, to ensure that Eligible Entity has taken appropriate steps to meet the HHF Program objectives. Said independent verification may be provided by a third party contractor or a governmental entity or department of the State so long as such entity or department is separate and distinct from HFA and Eligible Entity (e.g. the State Inspector General). Notwithstanding the foregoing, Eligible Entity shall be permitted to seek approval from Treasury to make a Capital Draw to conduct a pilot or test of certain or all of the Services prior to full launch of the same.

C. HFA and Eligible Entity acknowledge that Treasury may develop and implement practices to monitor and detect fraud related to loan modifications and any other programs contemplated pursuant to the Services and to monitor compliance with applicable consumer protection and fair lending laws, including among other laws, the Applicable Laws. HFA and Eligible Entity covenant that they will fully and promptly cooperate with Treasury's inquiries about any alleged, perceived or actual fraud and comply with any anti-fraud and legal compliance procedures which Treasury may require.

D. HFA and Eligible Entity covenant that they will together develop and implement an internal control program to ensure that HHF Program participants are meeting program requirements; to monitor, detect and prevent loan modification fraud; and to monitor compliance with applicable laws and regulations, including consumer protection and fair lending laws, among other things (the "Internal Antifraud and Compliance Monitoring Program"). The Internal Antifraud and Compliance Monitoring Program shall be developed and complete within ninety (90) days from the Effective Date, unless Treasury, in its sole discretion, consents to an extension of such time period. A copy of the plan for the Internal Antifraud and Compliance Monitoring Program, including, but not limited to, the approach, tools, techniques, staffing, cost and status of and time to implementation shall be submitted to Treasury within the time period set forth in the preceding sentence. HFA and Eligible Entity acknowledge that the Internal Antifraud and Compliance Monitoring Program will be monitored as provided in this Agreement. Each of HFA and Eligible Entity shall notify Treasury in writing if it desires to make any material modifications to its Internal Antifraud

and Compliance Monitoring Program and the same shall be subject to Treasury's approval. Additionally, HFA and Eligible Entity shall cooperate with Treasury with respect to its findings and any inquiries based on any review by Treasury or its designee of the Internal Antifraud and Compliance Monitoring Program or the results and data therefrom.

E. HFA and Eligible Entity shall provide Treasury or its designee with access to all internal control reviews and reports that relate to the Services, including those proposed by independent auditing firms, to enable Treasury to examine Eligible Entity and its contractors, if any, for compliance with applicable provisions of EESA, the HHF Program, this Agreement and Applicable Laws. A copy of the reviews and reports will be provided to Treasury upon request.

F. HFA and Eligible Entity shall respond promptly to Treasury's request for information regarding how the Eligible Entity's program(s) described in the Service Schedules will interact with new or changed housing programs funded by EESA's Troubled Asset Relief Program.

G. HFA shall provide annual audited financial statements to Treasury no later than one hundred eighty (180) days after the end of its fiscal year, commencing with the first fiscal year ending after the Effective Date. Eligible Entity shall provide (i) quarterly unaudited financial statements to Treasury no later than forty-five (45) days after the end of each quarter commencing with the first full quarter ending after the Effective Date and (ii) annual audited financial statements to Treasury no later than one hundred twenty (120) days after the end of its fiscal year, commencing with the first fiscal year ending after the Effective Date.

5. Term

A. The term of this Agreement shall begin on the Effective Date and extend to the End of Term or earlier termination of this Agreement by Treasury pursuant to the provisions hereof, or earlier suspension or termination of the Services by Treasury. Notwithstanding the foregoing, it is understood and agreed that certain administrative, monitoring, reporting, compliance and oversight obligations and requirements set forth in this Agreement and the Financial Instrument survive the expiration or termination of this Agreement or End of Term, and that funds are to be reserved as set forth in Schedule C to pay for the cost of the same.

B. This Agreement, or any of the Services implemented under this Agreement, may be terminated by Treasury prior to the end of the Term pursuant to Section 6 below.

6. Defaults, Acts of Bad Faith and Early Termination; Remedies for and Effects of Defaults, Acts of Bad Faith and Early Termination

A. The following constitute events of default by HFA or Eligible Entity under this Agreement (each, an "Event of Default" and, collectively, the "Events of Default"):

(1) HFA or Eligible Entity breaches a covenant under this Agreement or fails to perform or comply with any of its obligations under this Agreement in any material respect, including any additional request made by Treasury as authorized herein, or the Financial Instrument, including, but not limited to, circumstances in which Eligible Entity

fails to ensure that all eligibility criteria and other conditions precedent specified in this Agreement or EESA are satisfied prior to accepting any portion of the Purchase Price and/or effectuating any Services in connection with the HHF Program.

(2) HFA is dissolved or its existence as a unit or instrumentality of state government is terminated (unless HFA's duties, responsibilities and obligations as the state's housing finance agency, including specifically its duties, responsibilities and obligations under this Agreement, are transferred to and assumed by a successor state unit or instrumentality of state government approved by Treasury).

(3) Eligible Entity is dissolved or its legal existence is terminated (unless Eligible Entity's duties, responsibilities and obligations under this Agreement, are transferred to and assumed by a successor entity approved by Treasury).

(4) HFA or Eligible Entity: (a) ceases to do business as a going concern; (b) makes a general assignment for the benefit of, or enters into any arrangement with creditors in lieu thereof; (c) admits in writing its inability to pay its debts as they become due; (d) files a voluntary petition under any bankruptcy or insolvency law or files a voluntary petition under the reorganization or arrangement provisions of the laws of the United States or any other jurisdiction; (e) authorizes, applies for or consents to the appointment of a trustee or liquidator of all or substantially all of its assets; (f) has any substantial part of its property subjected to a levy, seizure, assignment or sale for or by any creditor or governmental agency; or (g) enters into an agreement or resolution to take any of the foregoing actions.

(5) HFA, Eligible Entity, any employee or contractor of HFA or Eligible Entity, or any employee or contractor of HFA's or Eligible Entity's contractors, commits a grossly negligent or reckless act, or willful or intentional misconduct (including, but not limited to, misrepresentation or fraud) in connection with the performance of the Services or this Agreement.

(6) Any representation or warranty made by HFA or Eligible Entity in this Agreement or any other certification provided pursuant to this Agreement, is or becomes false, misleading, incorrect, or incomplete in any material respect.

(7) Any failure to remit overpaid funds to Treasury in accordance with Section 3(D).

(8) An evaluation of performance that includes any specific findings by Treasury that HFA's or Eligible Entity's performance under any performance criteria set forth in the Service Schedules is insufficient.

(9) Any misapplication of, or levy on, funds held in the Depository Account.

(10) An Act of Bad Faith (defined below) involving an HHF Recipient (defined below) occurs, or is believed by Treasury to have occurred, in connection with the Services.

B. Treasury, in its sole discretion, may take any or all of the following actions upon the occurrence of an Event of Default:

(1) Treasury may withhold some or all of the Purchase Price until, in Treasury's determination, HFA and/or Eligible Entity (as the case may be) has cured such Event of Default.

(2) Treasury may: (i) reduce the amounts payable to Eligible Entity under Section 3; and/or (ii) obtain repayment of prior payments made to Eligible Entity under Section 3 to the extent that such funds have not been expended or irrevocably committed by Eligible Entity.

(3) Treasury may require HFA and/or Eligible Entity to submit to additional administrative oversight, including, but not limited to, additional compliance controls and quality control reviews.

(4) Treasury may terminate this Agreement and cease its performance hereunder.

(5) Treasury may require HFA and/or Eligible Entity to submit to additional information and reporting requirements with respect to its financial condition and ability to continue to meet its obligations under this Agreement.

C. The following constitute acts of bad faith of servicers, lenders, borrowers, contractors or any other recipient of HHF Program funds (individually, an "HHF Recipient" or collectively "HHF Recipients") in connection with the Services (each, an "Act of Bad Faith" and, collectively, the "Acts of Bad Faith"): an HHF Recipient commits a grossly negligent act, willful or intentional misconduct, a reckless act (including, but not limited to, misrepresentation or fraud), each in connection with any of the Services (including, but not limited to, in connection with such HHF Recipient's response to questionnaires, the execution or delivery to HFA or Eligible Entity or Treasury of any of the agreements relating to such HHF Recipient's participation in the HHF Program and the production of supporting documentation therefor and in connection with any audit or review by Treasury, its attorneys, auditors or other consultants for compliance with the HHF Program requirements).

D. Treasury, in its sole discretion, may take any or all of the following actions if an Act of Bad Faith involving an HHF Recipient occurs, or is believed by Treasury to have occurred, in connection with the Services:

(1) Treasury may withhold all or any portion of the Purchase Price until, in Treasury's determination, the Act of Bad Faith has been cured or otherwise remedied to Treasury's satisfaction.

(2) Treasury may: (i) reduce the amounts payable to Eligible Entity under Section 3; (ii) obtain repayment of any or all prior payments made to Eligible Entity under Section 3 to the extent that such funds have not been expended or irrevocably committed by HFA or Eligible Entity; and/or (iii) work with Eligible Entity to obtain repayment from the HHF Recipients who have committed the Act of Bad Faith.

(3) Treasury may require HFA or Eligible Entity to submit to additional administrative oversight, including, but not limited to, additional compliance controls and quality control reviews.

(4) Treasury may terminate this Agreement and cease its performance hereunder if Treasury believes that Acts of Bad Faith occur on a recurring basis, are widespread among the HHF Recipients, or occur in combination or in connection with one or more Events of Default by HFA or Eligible Entity.

(5) Treasury may require HFA and/or Eligible Entity to submit to additional information and reporting requirements with respect to its financial condition and ability to continue to meet its obligations under this Agreement.

E. In addition to the termination rights set forth above, Treasury may terminate this Agreement immediately upon written notice to Eligible Entity:

(1) in the event of a merger, acquisition, sale of substantially all assets or other change of control of Eligible Entity;

(2) in the event that a material term of this Agreement is determined to be prohibited or unenforceable as referred to in Section 13.C; or

(3) in the event the Financial Instrument is deemed to be unenforceable in its entirety.

F. In the event that this Agreement is terminated in connection with an Event of Default by HFA or Eligible Entity, no portion of the Purchase Price will be paid to Eligible Entity subsequent to termination.

G. Treasury may reduce the amounts payable to Eligible Entity under Section 3, or obtain repayment of prior Capital Draws made, in connection with: (a) an evaluation of HFA's and Eligible Entity's performance that includes any specific findings that HFA's or Eligible Entity's performance under any performance criteria set forth in the Service Schedules is materially insufficient, or (b) any failure by HFA or Eligible Entity to comply materially with any directive issued by Treasury with respect to documents or data requested, findings made, or remedies established, by Treasury in conjunction with such performance criteria or other HHF Program requirements; provided, however, Treasury will seek to obtain repayment of prior Capital Draws made under Section 3 only with respect to Services that are determined by Treasury to have been impacted by, or that Treasury believes may have been, or may be, impacted by, the findings giving rise to this remedy. Treasury may initially avail itself of this remedy in lieu of a specific declaration of an Event of Default; provided, however, that doing so shall not preclude Treasury from later declaring an Event of Default or exercising any other rights or remedies otherwise available to it under this Section 6, or at law or in equity, in connection with the event giving rise to this remedy, or any future events giving rise to this remedy. Notwithstanding anything in this Agreement to the contrary, Treasury may withhold payment of all or a portion of the Purchase Price if it determines, in its sole discretion, that Eligible Entity is incapable of performing the Services. It is understood that HFA shall not be required to advance or repay funds to Treasury unless and

only to the extent that, HFA has received HHF Program funds from Eligible Entity and the same would not cause HFA to violate state law or its enabling legislation or governing documents, as applicable, to do so.

H. The remedies available to Treasury upon an Event of Default or an Act of Bad Faith under this Section are cumulative and not exclusive; further, these remedies are in addition to, and not in lieu of, any other remedies available to Treasury at law or in equity.

I. In the event of the expiration or termination of this Agreement or any Service implemented under this Agreement under any circumstances, HFA, Eligible Entity and Treasury agree to cooperate with one another on an ongoing basis to ensure an effective and orderly wind-down of the Services, including the provision of any information, reporting, records and data required hereunder by Treasury.

J. Notwithstanding any provision to the contrary in this Agreement, temporary or permanent forbearance on Capital Draws of funds by the Eligible Entity shall not, in and of itself, constitute an Event of Default or an Act of Bad Faith by the HFA or the Eligible Entity nor trigger a demand for repayment under this Section. The HFA or the Eligible Entity shall provide Treasury with timely notice of any determination that such forbearance is necessary and in such event Treasury may elect to reduce the Purchase Price to the aggregate of Capital Draw Requests funded to date plus an amount for Administrative Expenses reasonably required to comply with the surviving terms of this Agreement.

7. Governing Law; Venue

This Agreement shall be governed by and construed under Federal law and not the law of any state or locality, without reference to or application of the conflicts of law principles; provided, however, that the powers and authority of the HFA shall be governed by and construed in accordance with the laws of its state. Any and all disputes between the parties that cannot be settled by mutual agreement shall be resolved solely and exclusively in the United States Federal courts located within the District of Columbia. All parties hereto consent to the jurisdiction and venue of such courts and irrevocably waive any objections thereto.

8. Notices

All legal notices, reports, requests, demands and other communications under this Agreement shall be in writing and referred to each party's point of contact or to such other point of contact at such other address as may be designated in writing by such party. Notices, reports, requests, demands and other communications sent to Treasury shall be sent by email to all of the email addresses listed below. Performance Reports and Capital Draw Requests shall be sent to Bank of New York Mellon only by email at the address listed below. The names and addresses of HFAs and Eligible Entity's points of contact are set forth in Schedule A. All such notices under this Agreement sent to HFA or Eligible Entity shall be considered received: (a) when personally delivered; (b) when delivered by commercial overnight courier with verification receipt; (c) three (3) days after having been sent, postage prepaid, via certified mail, return receipt requested; or (d) upon sending an email.

Treasury Email Addresses: OFSChiefCounselNotices@do.treas.gov
HFAInnovation@do.treas.gov
tarp.compliance@do.treas.gov

Bank of New York Mellon: tarpcppclosing@bnymellon.com

9. Modifications

A. Subject to Section 9.B., modifications to this Agreement shall be in writing and signed by Treasury, HFA and Eligible Entity.

B. Treasury reserves the right to unilaterally modify or supplement the terms and provisions of this Agreement that relate (as determined by Treasury, in its discretion) to the compliance and performance requirements of the HHF Program, and/or to technical, administrative, or procedural matters or compliance and reporting requirements that may impact the administration of the HHF Program. For the avoidance of doubt, reasonable incremental administrative expenses of the HFA or Eligible Entity associated with such a modification or supplement shall be Permitted Expenses.

C. In the event that Treasury agrees that (i) Eligible Entity may provide additional services under the HHF Program (a "New Service"), or (ii) the Services described in the Service Schedules shall be modified in any way, a replacement service schedule describing such additional or modified services, in substantially the form of the Service Schedules shall be executed and delivered by Eligible Entity. Concurrently with the delivery of such service schedule, HFA and Eligible Entity shall execute and deliver any such certificates, documents and/or legal opinions as may be required by Treasury. No additions, modifications or amendments to the Services shall be made without Treasury's prior approval. Additionally, Eligible Entity may not propose any New Service after September 1, 2010 without Treasury's and the Office of Management and Budget's consent, which may be withheld in either party's sole discretion.

10. Publicity

HFA and Eligible Entity shall consult with Treasury to develop a communication and outreach strategy to ensure that any public messages related to the Services is consistent with the intent of the HHF Program. HFA, Eligible Entity and their respective affiliates, subcontractors or servicers shall notify Treasury at least two (2) business days in advance and provide a copy of any proposed press releases (or other public statements) that refers to the HHF Program, their participation therein or the results thereof. Treasury shall have the right to object to or modify such press release or statement, in its sole discretion. In the event Treasury does not respond to the press release or statement within such two (2) business day period then it shall be deemed permissible to publish. This Section shall survive the termination or expiration of this Agreement.

11. Limitation of Liability

IN NO EVENT SHALL TREASURY, OR ITS OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO ELIGIBLE ENTITY WITH RESPECT TO THE SERVICES OR

THIS AGREEMENT, OR FOR ANY ACT OR OMISSION OCCURRING IN CONNECTION WITH THE FOREGOING, FOR ANY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO DIRECT DAMAGES, INDIRECT DAMAGES, LOST PROFITS, LOSS OF BUSINESS, OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE OR UNDER ANY LEGAL THEORY WHATSOEVER, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER OR NOT THE DAMAGES WERE REASONABLY FORESEEABLE; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT TREASURY'S OBLIGATION TO REMIT PURCHASE PRICE PAYMENTS TO ELIGIBLE ENTITY IN ACCORDANCE WITH THIS AGREEMENT.

12. Indemnification

HFA and Eligible Entity agree respectively as set forth on Schedule E attached hereto and incorporated herein.

13. Miscellaneous

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

B. This Agreement is not a Federal procurement contract and is therefore not subject to the provisions of the Federal Property and Administrative Services Act (41 U.S.C. §§ 251-260), the Federal Acquisition Regulations (48 CFR Chapter 1), or any other Federal procurement law.

C. Any provision of this Agreement 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 this Agreement, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. Failure on the part of Treasury to insist upon strict compliance with any of the terms hereof shall not be deemed a waiver, nor will any waiver hereunder at any time be deemed a waiver at any other time. No waiver will be valid unless in writing and signed by an authorized officer of Treasury. No failure by Treasury to exercise any right, remedy, or power hereunder will operate as a waiver thereof or operate as a course of dealing as to which Eligible Entity may justifiably rely. The rights, remedies, and powers provided herein are cumulative and not exhaustive of any rights, remedies, and powers provided by law.

E. This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement, and their permitted successors-in-interest. Treasury shall be permitted to assign its interest in this Agreement without the prior consent of HFA or Eligible Entity. Neither HFA, nor Eligible Entity shall be permitted to assign its interest in this Agreement without the prior written consent of Treasury, which may be withheld in Treasury's sole discretion.

F. This Agreement may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which together

shall constitute one and the same instrument. Facsimile or electronic copies of this Agreement, together with the Financial Instrument, the Service Schedules, and any certifications provided hereunder, shall be treated as originals for all purposes.

G. This Agreement, together with the Financial Instrument, Service Schedules, and the Certifications, constitutes the entire agreement of the parties with respect to the subject matter hereof.

H. Any provisions of this Agreement (including all documents incorporated by reference thereto) that contemplate their continuing effectiveness, including, but not limited to, Sections 2, 3, 4, 7, 10, 11, 12 and 13 of this Agreement, and the Financial Instrument, and any other provisions (or portions thereof) in this Agreement that relate to, or may impact, the ability of Treasury to fulfill its responsibilities in connection with the HHF Program, shall survive the expiration or termination of this Agreement.

14. Defined Terms; Incorporation by Reference

A. All references to this "Agreement" necessarily include, in all instances, this Agreement and all documents, exhibits and schedules incorporated into this Agreement by reference, whether or not so noted contextually, and all amendments and modifications thereto. Specific references throughout this Agreement to individual documents that are incorporated by reference into this Agreement are not inclusive of any other documents that are incorporated by reference, unless so noted contextually.

B. The term "Effective Date" means the date indicated as the Closing Date on Schedule A.

C. Exhibit A - Form of Financial Instrument, Exhibits B-1 and B-2 - Forms of Certification, Exhibit C - Form of Capital Draw Request, Exhibit D-1 - Form of Legal Opinion - FHA, Exhibit D-2 - Form of Legal Opinion - Eligible Entity (in each case, in form and, upon completion, in substance), Schedule A - Basic Information, Schedule B - Service Schedules, Schedule C - Permitted Expenses, Schedule D - Qualifications to Representations and Warranties, Schedule E - Indemnification, including all amendments and modifications thereto, are incorporated into this Agreement by this reference and given the same force and effect as though fully set forth herein.

[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 Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Effective Date.

HFA:

CALIFORNIA HOUSING FINANCE AGENCY

By: /s/ L. Steven Spears
Name: L. Steven Spears
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

By: _____
Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for Financial Stability

ELIGIBLE ENTITY:

CALHFA MORTGAGE ASSISTANCE CORPORATION

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

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

HFA:

CALIFORNIA HOUSING FINANCE AGENCY

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

By: _____
Name: Herbert M. Allison, Jr.
Title: Assistant Secretary for Financial Stability

ELIGIBLE ENTITY:

CALHFA MORTGAGE ASSISTANCE CORPORATION

By: _____
Name:
Title:

EXHIBITS AND SCHEDULES

Exhibit A	Form of Financial Instrument
Exhibit B-1	Form of HFA Certification
Exhibit B-2	Form of Eligible Entity Certification
Exhibit C	Form of Capital Draw Request
Exhibit D-1	Form of Legal Opinion - HFA
Exhibit D-2	Form of Legal Opinion - Eligible Entity
Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses
Schedule D	Qualifications to Representations and Warranties
Schedule E	Indemnification

EXHIBIT A

FORM OF FINANCIAL INSTRUMENT

This Financial Instrument is delivered by the undersigned party ("Eligible Entity") as provided in Section 1 of the Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Agreement"), entered into as of the Effective Date, by and among the United States Department of the Treasury ("Treasury"), the party designated as HFA in the Agreement ("HFA") and Eligible Entity. This Financial Instrument is effective as of the Effective Date. All of the capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Eligible Entity agrees as follows:

1. Eligible Entity Obligation; Purchase Price Consideration.

   (a) Eligible Entity shall perform all Services described in the Service Schedules in consideration for the Purchase Price described in subsection (b) below, in accordance with the terms and conditions of the Agreement, to the satisfaction of Treasury. The conditions precedent to the payment by Treasury of the Purchase Price with respect to the Services are set forth in Section 3(B) of the Agreement.

   (b) This Financial Instrument is being purchased by Treasury pursuant to Section 3 of the Agreement through the payment by Treasury of various payments referred to collectively in the Agreement as the "Purchase Price". This Financial Instrument is being purchased by Treasury in connection with Eligible Entity's participation in the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets program (the "HHF Program") created under the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time ("EESA").

2. Repayment of Purchase Price. In the event a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services, Eligible Entity shall use such funds as follows:

   (a) First, if such funds are repaid during the Term, Eligible Entity shall use such repaid funds to continue to provide Services to other eligible homeowners.

   (b) Second, if such funds are repaid after the termination or expiration of the Term, Eligible Entity shall use such repaid amounts to replenish the required reserve for administrative expenses until the reserve amount indicated on the Service Schedule for such year is satisfied.

   (c) Third, if such funds are repaid after the termination or expiration of the Term, and no amounts are required to replenish the required reserve for administrative expenses pursuant to Section 2(b) above, Eligible Entity shall remit such funds to Treasury, monthly on the 15th day of each month or first business day thereafter.

3. Final Repayment. In the event Eligible Entity is holding any HHF Programs funds, including, but not limited to, excess cash and amounts on deposit in the administrative reserve, as of December 31, 2017, such funds shall be returned to Treasury or its designee prior to 1:00 p.m. Eastern Standard Time on December 31, 2017.

4. Security Interest. As security for the performance of the Services and the other obligations of Eligible Entity under the Agreement, as such obligations are evidenced in this Financial Instrument, Eligible Entity has granted to Treasury a first lien priority security interest in the Depository Account and in any moneys, or investments, if any, held therein.

5. Representations, Warranties and Covenants. Eligible Entity represents and warrants that the representations and warranties set forth in the Agreement, on the date hereof, are, and on the date of each Capital Draw hereunder, shall be, true, correct, accurate and complete in all material respects. The truth and accuracy of such representations and warranties are continuing obligations of Eligible Entity. Additionally, all covenants of Eligible Entity set forth in Section 2 of the Agreement are incorporated herein by reference and Eligible Entity, on the date hereof, is not, and on the date of each Capital Draw hereunder, shall not be in breach of any such covenants. In the event that any of the representations or warranties made herein or in the Agreement cease to be true and correct, or the Eligible Entity breaches any of the covenants made herein or in the Agreement, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

6. Limitation of Liability

IN NO EVENT SHALL TREASURY, OR ITS OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO ELIGIBLE ENTITY WITH RESPECT TO THE SERVICES OR THE AGREEMENT, OR FOR ANY ACT OR OMISSION OCCURRING IN CONNECTION WITH THE FOREGOING, FOR ANY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO DIRECT DAMAGES, INDIRECT DAMAGES, LOST PROFITS, LOSS OF BUSINESS, OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE OR UNDER ANY LEGAL THEORY WHATSOEVER, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER OR NOT THE DAMAGES WERE REASONABLY FORESEEABLE; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT TREASURY'S OBLIGATION TO REMIT PURCHASE PRICE PAYMENTS TO ELIGIBLE ENTITY IN ACCORDANCE WITH THE AGREEMENT.

7. Indemnification

Eligible Entity agrees as set forth on Schedule E to the Agreement, which Schedule E is hereby incorporated into this Financial Instrument by reference.

IN WITNESS WHEREOF, Eligible Entity hereby executes this Financial Instrument on the date set forth below.

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

By: _____
Name: _____
Title: _____

Date: _____ __, 2010

EXHIBIT B-1

FORM OF HFA CERTIFICATION

This Certification is delivered as required by Section 2.A(15) of that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Agreement"), effective as of [INSERT CLOSING DATE], by and among the United States Department of the Treasury ("Treasury"), the undersigned party ("HFA") and the institution party thereto ("Eligible Entity"). All terms used, but not defined herein, shall have the meanings ascribed to them in the Agreement.

HFA hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA contained in the Agreement are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA contained in the Agreement shall remain in full force and effect and HFA is not in breach of any such covenant.

Eligible Entity does not have HHF Program funds on hand of more than $_____. [INSERT AN AMOUNT EQUAL TO 5% OF THE PROGRAM PARTICIPATION CAP]

HFA knows of no material deficiencies in the Internal Antifraud and Compliance Monitoring Program.

In the event that any part of the certification made herein is discovered not to be true and correct, HFA agrees to notify Treasury immediately.

[INSERT FULL LEGAL NAME OF HFA]:

_____ _____

[Name of Authorized Official] Date
[Title of Authorized Official]

EXHIBIT B-2

FORM OF ELIGIBLE ENTITY CERTIFICATION

This Certification is delivered as required by Section 2.A(15) of the Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Agreement"), effective as of [INSERT CLOSING DATE], by and among the United States Department of the Treasury ("Treasury"), the party designated as HFA in the Agreement and the undersigned party ("Eligible Entity"). All terms used, but not defined herein, shall have the meanings ascribed to them in the Agreement.

Eligible Entity hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of Eligible Entity contained in the Agreement are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of Eligible Entity contained in the Agreement shall remain in full force and effect and Eligible Entity is not in breach of any such covenant.

Eligible Entity does not have HHF Program funds on hand of more than $_____. [INSERT AN AMOUNT EQUAL TO 5% OF THE PROGRAM PARTICIPATION CAP]

Eligible Entity knows of no material deficiencies in the Internal Control Program or the Internal Antifraud and Compliance Monitoring Program.

In the event that any part of the certification made herein is discovered not to be true and correct, Eligible Entity agrees to notify Treasury immediately.

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]:

_____ _____

[Name of Authorized Official] Date
[Title of Authorized Official]

EXHIBIT C

FORM OF CAPITAL DRAW REQUEST

[insert date]

The Bank of New York Mellon
tarpcppclosing@bnymellon.com
Attn: Matthew Sabino

The United States Department of the Treasury
OFSChiefCounselNotices@do.treas.gov
HFAInnovation@do.treas.gov
tarp.compliance@do.treas.gov
Attention: HFA Hardest Hit Fund

Ladies/Gentlemen:

Reference is made to the Commitment to Purchase Financial Instrument and HFA Participation Agreement dated as of the date set forth on Schedule A thereto (as amended, supplemented or otherwise modified and in effect from time to time, the "HPA") by and among [insert HFA name] ("HFA"), [insert Eligible Entity name] ("Eligible Entity") and the United States Department of the Treasury ("Treasury"). Reference is also made to the Financial Instrument dated the date set forth on Schedule A to the HPA delivered by Eligible Entity to Treasury (the "Financial Instrument"). Capitalized terms used but not otherwise defined herein shall have the meaning given them in the HPA.

In accordance with Section 3.A. of the HPA, the undersigned Eligible Entity hereby requests that The Bank of New York Mellon ("BNYM"), on behalf of Treasury, disburse the amounts set forth on the attached Capital Draw Schedule as a Capital Draw against the Purchase Price as described in the HPA to Eligible Entity on [insert date] (the "Funding Date").

HFA and Eligible Entity, as applicable, hereby certify to Treasury and BNYM, as of the date hereof and on the Funding Date, that:

(a) no default or Event of Default has occurred and is continuing as of the date hereof and on the Funding Date [other than _____];

(b) each of the representations and warranties made by HFA and Eligible Entity in the HPA and Financial Instrument are true and correct on and as of such date, as if made on and as of the date hereof and on the Funding Date [other than _____];

(c) HFA and Eligible Entity are in compliance with the covenants and other agreements set forth in the HPA and Financial Instrument, which shall remain in full force and effect [other than _____];

(d) all data and information set forth in this Capital Draw Request, including the Capital Draw Schedule, is true and correct in all respects; and

(e) to our knowledge, there have been no Acts of Bad Faith by any HHF Recipient [other than _____].

In the event that any part of the certification made herein is discovered not to be true and correct after the date hereof, HFA or Eligible Entity, as applicable, shall notify Treasury immediately.

[INSERT FULL LEGAL NAME OF HFA]

_____
[Name of Authorized Official]
[Title of Authorized Official]

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

_____
[Name of Authorized Official]
[Title of Authorized Official]

CAPITAL DRAW SCHEDULE

Capital Draw Request for:	
[_____] Program	$_____
[_____] Program	$_____
[_____] Program	$_____
Permitted Administrative Expenses	$_____
Total Capital Draw Request	$_____
Total Capital Draw Request as a Percentage of Program Participation Cap[1]:	_____%
Total Purchase Price funded to date, including current Capital Draw:	$_____
Program Participation Cap:	$_____
Program Funds Remaining:	$_____
Amount of HHF Program funds on hand prior to this Capital Draw:	$_____
HHF Program funds on hand prior to this Capital Draw as a Percentage of Program Participation Cap[2]:	_____%

[1] May not be less than 2.5% nor exceed 20%.
[2] May not exceed 5.0% on the date of submission of the Draw Request.

Depository Account Information/Wire Instructions for payment of Capital Draw:

EXHIBIT D-1

FORM OF LEGAL OPINION - HFA

[Customary introduction/qualifications]

1. HFA has been duly created and is validly existing as a _____ under the laws of the State of _____.

2. HFA has duly authorized the execution and delivery of the Agreement, and no further approval or authorization is required by HFA.

3. HFA has the power and authority to execute and deliver the Agreement and to perform its obligations thereunder.

4. The Agreement has been duly executed and delivered by HFA and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid, legal and binding obligation of HFA, enforceable against HFA in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

5. The execution and delivery by HFA of the Agreement and the performance by HFA of its obligations thereunder do not and will not: (i) violate the [organizational documents/Enabling Act] of HFA, (ii) to the best of our knowledge, after due inquiry, constitute a breach of or a default under any agreements or other instruments to which HFA is a party, (iii) to the best of our knowledge, after due inquiry, violate any judgment, decree or order of any court or administrative tribunal to which HFA is subject, or (iv) violate any Applicable Laws.

6. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority of the United States or the State of _____ or any other entity having jurisdiction over HFA is required to be obtained prior to the execution and delivery of the Agreement or to perform the obligations contemplated thereby other than those consents, approvals, authorizations, filings, actions and registrations which have been obtained as of the date hereof.

7. HFA has obtained all necessary permits and licenses to perform its obligations under the Agreement.

8. There is no action, suit or proceeding, at law or in equity, or by or before any court or governmental agency, now pending or, to our knowledge, overtly threatened in writing against HFA that challenges the validity or enforceability of, or that seeks to enjoin the performance of, or seeks damages with respect to the Agreements or any of HFA's obligations thereunder.

EXHIBIT D-2

FORM OF LEGAL OPINION - ELIGIBLE ENTITY

[Customary introduction/qualifications]

1. Eligible Entity has been duly incorporated and is validly existing as a _____ and is in good standing under the laws of the State of _____.

2. Eligible Entity has duly authorized the execution and delivery of the Agreement and the Financial Instrument by all necessary [corporate] action, and no further approval or authorization is required by Eligible Entity.

3. Eligible Entity has the power and authority to execute and deliver the Agreement and the Financial Instrument and to perform its obligations thereunder.

4. Each of the Agreement and the Financial Instrument has been duly executed and delivered by Eligible Entity and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a valid, legal and binding obligation of Eligible Entity, enforceable against Eligible Entity in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

5. The execution and delivery by Eligible Entity of the Agreement and the Financial Instrument and the performance by Eligible Entity of its obligations thereunder do not and will not: (i) violate the [organizational documents] of Eligible Entity, (ii) to the best of our knowledge, after due inquiry, constitute a breach of or a default under any agreements or other instruments to which Eligible Entity is a party, (iii) to the best of our knowledge, after due inquiry, violate any judgment, decree or order of any court or administrative tribunal to which Eligible Entity is subject, or (iv) violate any Applicable Laws.

6. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority of the United States or the State of _____ or any other entity having jurisdiction over Eligible Entity is required to be obtained prior to the execution and delivery of the Agreement and the Financial Instrument or to perform the Services contemplated thereby other than those consents, approvals, authorizations, filings, actions and registrations which have been obtained as of the date hereof.

7. Eligible Entity has obtained all necessary permits and licenses to perform the Services it is obligated to perform under the Agreement.

8. There is no action, suit or proceeding, at law or in equity, or by or before any court or governmental agency, now pending or, to our knowledge, overtly threatened in writing against Eligible Entity that challenges the validity or enforceability of, or that seeks to enjoin the performance of, or seeks damages with respect to, the Agreement, the Financial Instrument or the Services.

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	CalHFA Mortgage Assistance Corporation
Corporate or other organizational form:	Nonprofit Public Benefit Corporation
Jurisdiction of organization:	California
Notice Information:	

With a copy to:

HFA Information:

Name of HFA:	California Housing Finance Agency
Organizational form:	Agency of the State of California
Date of Application:	April 16, 2010
Notice Information:	

With a copy to:

Program Participation Cap:	$699,600,000.00
Closing Date:	June 23, 2010
Eligible Entity Depository Account Information:	See account information set forth in the Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

SCHEDULE B

SERVICE SCHEDULES

The attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq.) together comprise Schedule B to that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement, entered into as of the Effective Date, by and among the United States Department of the Treasury and the undersigned parties.

SERVICE SCHEDULE B-1

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

UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Unemployment Mortgage Assistance Program (UMA) is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes but have suffered a loss of income due to unemployment. CalHFA MAC is partnering with financial institutions to directly provide program funds to subsidize an eligible borrower's mortgage payments. UMA provides a mortgage payment subsidy equal to the lesser of $1,500 per month or 50% of the PITIA (principal, interest, tax, insurance and homeowner's association dues) net the borrower's contribution, for up to six (6) months, with the purpose of preventing avoidable foreclosures until such time the borrower retains employment sufficient to meet demands of satisfying their regular mortgage payment. The borrower will be required to contribute no more than or equal to 31% of their gross monthly household income towards the monthly mortgage payment based on CalHFA MAC, lender/servicer determination.
2. Program Goals	UMA's goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment. The UMA subsidy will minimize past due payments, and provide a borrower with additional time to find alternate employment and replace income needed to make their mortgage payment. UMA was designed to assist borrowers who are eligible to receive unemployment benefits. UMA was designed to complement other loss mitigation programs, including increasing a borrower's eligibility for a loan modification.
3. Target	UMA is designed to target low-to-moderate income

Population/Areas	homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$64.7 million.
5. Borrower Eligibility Criteria	• Low-to-moderate income limitation of 120% or less of Area Median Income based upon the county where borrower resides. • Low-to-moderate income borrowers that have a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143 are presumed to satisfy income limits. • Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship. • Borrower has adequate income to sustain modified mortgage payments per lender guidelines. • Borrower is able to satisfy program guidelines established by CalHFA MAC. • Borrower is eligible to receive unemployment benefits. • The mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property/Loan Eligibility Criteria	• The property is encumbered by a first lien mortgage loan. • The total original mortgage indebtedness cannot exceed the GSE conforming limit of $729,750. • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal

	residence and the property is located in California. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.
7. Program Exclusions	• Mortgage payments are delinquent 90 days or longer at time of program application. • Borrower owns other real property. • Borrower's "hardship" is a result of voluntary resignation of employment; the borrower is no longer eligible for unemployment benefits from the California Employment Development Department (EDD) benefit or such benefits will expire within 90 days. • Loan was originated after January 1, 2009. • Borrower consummated a "cash-out" refinance of the subject property.
8. Structure of Assistance	In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-interest bearing subordinate loan in favor of the Eligible Entity secured by the property in the amount of the total reduced principal, interest, taxes, insurance and homeowner's association dues, as applicable comprised of HHF monies and lender forgiveness. If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the HHF Program assistance provided to the borrower, then the assistance is not required to be structured as a loan to the borrower. The subordinate loan will be forgiven over a three year period provided the loan remains in good standing and the borrower complies with program guidelines.
9. Per Household Assistance	Up to $9,000 per household total (average funding of $7,228), equaling the lesser of $1,500 per month of 50% of PITIA, net the borrower's contribution, (and in all cases, subject to the HHF Program maximum benefit cap of $50,000 with respect to monies previously received under other HHF Programs, if any).
10. Duration of Assistance	Borrower participation in UMA is limited to 6 months maximum.
11. Estimated Number of Participating Households	Approximately 8,953. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $7,228.

12. Program Inception/ Duration	UMA will be available to borrowers within five months after approval of UMA by Treasury and will last up to three years.
13. Program Interactions with Other HFA Programs	UMA will serve as a gateway to borrower programs aimed at reinstatement and principal reduction.
14. Program Interactions with HAMP	Servicers will be required to ensure that eligible borrowers have exhausted HAMP unemployment assistance prior to utilization of this HHF program. This benefit may extend the U.S. Treasury's Housing Program Enhancements (released on March 26, 2010) for temporary unemployment assistance by up to a total of one year. The U.S. Treasury program currently offers a minimum of three months and up to six months for some borrowers.
15. Program Leverage with Other Financial Resources	The goal of the program is for the applicable servicer/lender to match UMA funds on a dollar-for-dollar basis, net the borrower's contribution. The servicer/lender's matching funds will be paid no later than at the time of CalHFA MAC program funding. CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).

SERVICE SCHEDULE B-2

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

MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Mortgage Reinstatement Assistance Program (MRAP) is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes but are in imminent danger of losing their home to foreclosure. MRAP provides funds to assist income-qualified borrowers to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure.
2. Program Goals	The MRAP subsidy will prevent avoidable foreclosures by helping borrowers reinstate their past due first mortgage loans. MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of borrowers who otherwise may not qualify for modification.
3. Target Population/Areas	MRAP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$129.4 million.
5. Borrower Eligibility Criteria	• Low-to-moderate income limitation of 120% or less of Area Median Income based upon the county where borrower resides. • Low-to-moderate income borrowers that have a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143 are presumed to satisfy income limits. • Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship. • Borrower has adequate income to sustain modified mortgage payments per lender guidelines.

	• Borrower is able to satisfy program guidelines established by CalHFA MAC. • The mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property/Loan Eligibility Criteria	• The property is encumbered by a first lien mortgage loan. • The total original mortgage indebtedness cannot exceed to GSE conforming limit of $729,750. • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.
7. Program Exclusions	• Borrower owns other real property. • Loan was originated after January 1, 2009. • Borrower consummated a "cash-out" refinance of the subject property.
8. Structure of Assistance	In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-interest bearing subordinate loan in favor of the Eligible Entity secured by the property in the amount of the total reduced principal, interest, taxes, insurance and homeowner's association dues, as applicable comprised of HHF monies and lender forgiveness. If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the HHF Program assistance provided to the

	borrower, then the assistance is not required to be structured as a loan to the borrower. The subordinate loan will be forgiven over a three year period provided the loan remains in good standing and the borrower complies with program guidelines.
9. Per Household Assistance	Up to $15,000 per household (average funding of $7,484) or 50% of PITIA arrearages, whichever is less (and in all cases, subject to the HHF Program maximum benefit cap of $50,000 with respect to monies previously received under other HHF Programs, if any).
10. Duration of Assistance	Borrower participation in Program is a one time payment.
11. Estimated Number of Participating Households	Approximately 17,293. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $7,484.
12. Program Inception/Duration	MRAP will be available to borrowers within five months after approval of MRAP by Treasury and will last up to three years.
13. Program Interactions with Other HFA Programs	MRAP will serve as a gateway to other loss mitigation programs including loan modification which may include principal reduction, including other HHF Programs and the Principal Reduction Program.
14. Program Interactions with HAMP	MRAP will serve as a gateway to HAMP which may include principal reduction of borrower's mortgage.
15. Program Leverage with Other Financial Resources	The goal of the program is for the applicable servicer/lender to match MRAP funds on a dollar-for-dollar basis. The servicer/lender's matching funds will be paid no later than at the time of CalHFA MAC program funding. CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).

SERVICE SCHEDULE B-3

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

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	The Principal Reduction Program (PRP) is one of CalHFA MAC's federally-funded programs developed with a goal to provide capital on a dollar-for-dollar matching basis with participating lenders to reduce over a three year period the outstanding principal balances of qualifying properties with negative equity. PRP will provide monies to reduce the principal balance of the first mortgage loan of varying size and term, for the purposes of establishing an appropriate level of debt for eligible borrowers with qualifying properties.
2. Program Goals	The PRP subsidy will, in cooperation with participating lenders, leverage the HHF dollars by reducing the principal balances of underwater mortgages and provide an incentive for qualifying homeowners to remain in their homes during this period of steep declines in value. A reduction in principal through PRP can achieve desired income ratios and affordability for a borrower on the existing mortgage loan or can be used in conjunction with a loan modification.
3. Target Population/Areas	PRP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$420.6 million.
5. Borrower Eligibility Criteria	• Low-to-moderate income limitation of 120% or less of Area Median Income based upon the county where borrower resides. • Low-to-moderate income borrowers that have a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143 are presumed to satisfy income limits.

	• Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship. • Borrower has adequate income to sustain modified mortgage payments per lender guidelines. • Borrower is able to satisfy program guidelines established by CalHFA MAC. • The mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications. • Program-specific eligibility is determined by CalHFA MAC and loan servicer on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property/Loan Eligibility Criteria	• The property is encumbered by a first lien mortgage loan. • The total mortgage indebtedness cannot exceed to GSE conforming limit of $729,750. • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.
7. Program Exclusions	• Hardship caused by voluntary resignation of employment. • Borrower owns other real property. • Borrower fails to satisfy lender underwriting guidelines, including a LTV of 120% or less. • Loan was originated after January 1, 2009. • Borrower consummated a "cash-out" refinance of the subject property.
8. Structure of Assistance	In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-interest bearing subordinate loan in favor of

	the Eligible Entity secured by the property in the amount of the total reduced principal, interest, taxes, insurance and homeowner's association dues, as applicable comprised of HHF monies and lender forgiveness. If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the HHF Program assistance provided to the borrower, then the assistance is not required to be structured as a loan to the borrower. The subordinate loan will be forgiven over a three year period provided the loan remains in good standing and the borrower complies with program guidelines.
9. Per Household Assistance	Up to $50,000 per household (average funding of $33,063), less program monies previously received under other HHF Programs.
10. Duration of Assistance	Three years.
11. Estimated Number of Participating Households	Approximately 13,375. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $33,063.
12. Program Inception/Duration	PRP will be available to borrowers within five months after approval of the PRP by Treasury and will last up to three years.
13. Program Interactions with Other HFA Programs	PRP may be used in conjunction with MRAP aimed at reinstatement.
14. Program Interactions with HAMP	PRP may work in conjunction with a standard HAMP modification to help eligible borrowers achieve desired income ratios and affordability. PRP may not be combined or used in conjunction with the HAMP Principal Reduction Alternative (PRA). PRP layering with HAMP PRA is strictly prohibited. PRP funds are not eligible in any combination to qualify for HAMP PRA investor incentive compensation.
15. Program Leverage with Other Financial Resources	The goal of the program is for the applicable servicer/lender to match PRP funds on a dollar-for-dollar basis. The servicer/lender's matching funds will be paid no later than at the time of CalHFA MAC program funding. CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).

SERVICE SCHEDULE B-4

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

THE TRANSITION ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Transition Assistance Program (TAP) is one of CalHFA MAC's federally-funded programs developed to provide eligible homeowners with transition assistance when it is determined that they can no longer afford their home. TAP will be used in conjunction with short sale and deed-in-lieu programs to help borrowers make a smooth transition to housing. Borrowers will be required to occupy and maintain the property until the home is sold or returned to the lender as negotiated. Program funds would be available on a one-time only basis up to $5,000 per household and can be used or layered with other CalHFA MAC HHF Programs. No funds will go directly to the borrower. All funds will be sent to the Servicer subject to Servicer/Investor approval of short sale or deed-in-lieu of foreclosure. Funds are intended to help the borrower secure new housing (e.g., rent, moving expenses, and security deposits) and will be available for transition assistance counseling services.
2. Program Goals	CalHFA MAC envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to borrowers who have suffered a financial hardship and as a result are no longer financially able to afford their mortgage payments.
3. Target Population/Areas	TAP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$32.3 million.

5. Borrower Eligibility Criteria	• Low-to-moderate income limitation of 120% or less of Area Median Income based upon the county where borrower resides. • Low-to-moderate income borrowers that have a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143 are presumed to satisfy income limits. • Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship. • Borrower is able to satisfy program guidelines established by CalHFA MAC. • The mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications. • Program-specific eligibility is determined by CalHFA MAC and loan servicer on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property/Loan Eligibility Criteria	• The property is encumbered by a first lien mortgage loan. • The total original mortgage indebtedness cannot exceed the GSE conforming limit of $729,750. • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.
7. Program Exclusions	• Borrower owns other real property. • Loan was originated after January 1, 2009. • Borrower consummated a "cash-out" refinance of the subject property.
8. Structure of Assistance	TAP assistance will not be structured as a loan.

9. Per Household Assistance	Up to $5,000 per household (average funding of $5,000).
10. Duration of Assistance	Borrower participation in Program is a one time payment.
11. Estimated Number of Participating Households	Approximately 6,471. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $5,000.
12. Program Inception/ Duration	TAP will be available to borrowers within five months after approval of TAP by Treasury and will last up to three years.
13. Program Leverage /Interactions with Other HFA Programs	TAP benefits may be available to the borrower even if UMA, MRAP and/or PRP benefits have been utilized, subject to the HHF Program maximum benefit cap of $50,000.
14. Program Interactions with HAMP	TAP complements HAMP and HAFA. The funds will leverage monies being made available through HAFA. Servicer is required to follow HAFA guidelines for allowable costs. In cases where the Servicer has approved the borrower for a HAFA transaction, TAP dollars will be limited to $2,000 in order to maintain the $5,000 HHF Program maximum per household.
15. Program Leverage with Other Financial Resources	None.

SCHEDULE C

PERMITTED EXPENSES

	California
One-time / Start-Up Expenses:	
Initial Personnel	$242,343
Building, Equipment, Technology	$114,514
Professional Services	$2,194,065
Supplies / Miscellaneous	$25,500
Marketing /Communications	$204,156
Travel	$17,500
Website development /Translation	$0
Contingency	$808,908
Subtotal	**$3,606,986**
Operating / Administrative Expenses:	
Salaries	$5,719,410
Professional Services (Legal, Compliance, Audit, Monitoring)	$22,429,780
Travel	$94,500
Buildings, Leases & Equipment	$432,000
Information Technology & Communications	$216,970
Office Supplies/Postage and Delivery/Subscriptions	$59,500
Risk Management/ Insurance	$800,000
Training	$90,000
Marketing/PR	$435,000
Miscellaneous	$0
Subtotal	**$30,277,160**
Transaction Related Expenses:	
Recording Fees	$4,890,780
Wire Transfer Fees	$1,260,075
Counseling Expenses	
File Intake	$0
Decision Costs	$12,435,000
Successful File	$0
Key Business Partners On-Going	$0
Subtotal	**$18,585,855**
Grand Total	**$52,470,001**
% of Total Award	**7.50%**
Award Amount	**$699,600,000**