

**SEVENTEENTH AMENDMENT TO
COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
and
HFA PARTICIPATION AGREEMENT**

This Seventeenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (this “Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Seventeenth Amendment Date (the “Amendment Date”), by and among the United States Department of the Treasury (“Treasury”), the undersigned party designated as HFA whose description is set forth in Schedule A attached hereto (for convenience, a “state housing finance agency” or “HFA”) and the undersigned institution designated by HFA to participate in the program described below (“Eligible Entity”).

Recitals

WHEREAS, Treasury, HFA and Eligible Entity entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Original HPA”) dated as of the Closing Date set forth on Schedule A attached hereto, as previously amended by those certain Amendments to Commitment to Purchase Financial Instrument and HFA Participation Agreement dated as of their respective dates as set forth on Schedule A attached hereto (each, an “Amendment” and together with the Original HPA as amended thereby, the “Current HPA”), in connection with Treasury's federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the “HHF Program”), which was established pursuant to the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5201 et seq.), as amended, and as the same may be amended from time to time (“EESA”);

WHEREAS, on February 19, 2016 Treasury announced that it would (i) extend the HHF Program through 2020, and (ii) make \$2 billion of additional assistance available under the HHF Program (the “Fifth Round Funding”) to help prevent foreclosure and stabilize housing markets in certain states that had previously received HHF Program funding for such purposes; and

WHEREAS, Treasury, HFA and Eligible Entity wish to enter into this Amendment to memorialize the extension of the HHF Program, increase the amount of HHF Program funds available to Eligible Entity hereunder, and make certain other changes to the terms of the Current HPA and the Exhibits and Schedules attached thereto.

Accordingly, in consideration of the representations, warranties, and mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Treasury, HFA and Eligible Entity agree as follows.

Agreement

1. Amendments

- A. End of Term. The definition of End of Term in Section 2(A)(14) of the Current HPA is hereby deleted and replaced with the following:

“End of Term” shall mean the last day of the calendar month in which the Eligible Entity makes the last disbursement of HHF Program funds in furtherance of the Services, which shall occur no later than December 31, 2021 (or such later date as Treasury may determine in its sole discretion with written notice to Eligible Entity and HFA). For the sake of clarity, Capital Draws shall not be permitted after the End of Term other than for payment of Permitted Expenses.

B. Bring Down Certificate. Section 2(A)(15) of the Current HPA is hereby amended by (i) striking “on each anniversary of the Effective Date during the Term (as defined below)” and replacing it with “on each anniversary of the Effective Date through September 30, 2016, and from and after October 1, 2016, no later than one hundred twenty (120) days after the end of each of their respective fiscal years”, and (ii) by adding to the end “A final certification shall be delivered by each of HFA and Eligible Entity on the Final Repayment Date (as defined in the Financial Instrument).”

C. Program Participation Cap. Section 3(D) of the Current HPA is hereby deleted in its entirety and replaced with the following:

D. The value of this Agreement is limited to the amount set forth in Schedule A as the Program Participation Cap, as may be adjusted from time to time as set forth on Schedule F attached hereto (the “Program Participation Cap”). Notwithstanding anything to the contrary contained herein, 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.

D. Performance Reports. Section 4(A) is hereby amended by (i) striking the third sentence and replacing it with “HFA shall submit the Performance Report to Treasury or its designee no later than forty-five (45) days after the end of each calendar quarter and otherwise as requested by Treasury. After Treasury has communicated in writing that the Performance Report is in a form acceptable to Treasury, HFA shall promptly post the Performance Report to its website”; and (ii) adding to the end “A final Performance Report shall be delivered no later than forty-five (45) days after the end of the calendar quarter in which the End of Term occurs.”

E. Financial Reporting. Section 4(G) of the Current HPA is hereby deleted in its entirety and replaced with the following:

G. Each of HFA and Eligible Entity shall provide annual audited financial statements to Treasury no later than one hundred twenty (120) days after the end of its respective fiscal year, commencing with the first fiscal year ending after the Effective Date, and concluding with the fiscal year in which the End of Term occurs. Eligible Entity shall provide 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 concluding with the quarter in which the End of Term occurs.

F. Term. Section 5(A) of the Current HPA is hereby deleted in its entirety and replaced with the following:

(A) The term of this Agreement (“Term”) 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. Subject to the foregoing, new Services may be undertaken (e.g., approval of assistance actions with respect to unique homeowners or properties, including, where applicable, final underwriting decisions and payment schedules), through and including December 31, 2020 (or such later date as may be determined by Treasury in its sole discretion upon prior written notice to Eligible Entity). 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 the End of Term, and that funds are to be reserved as set forth in Schedule C to pay for the cost of the same, through and including the Final Repayment Date.

G. Modifications.

(a) Section 9(A) of the Current HPA is hereby amended by inserting “and except as expressly set forth herein,” after “Subject to Section 9.B.,”

(b) Section 9(B) of the Current HPA is hereby amended by adding the following at the end:

Notwithstanding anything to the contrary contained herein, Treasury may approve revisions proposed by Eligible Entity and HFA to any Schedule or Exhibit attached hereto, by written notice to Eligible Entity and HFA, pursuant to a procedure established by Treasury in its sole discretion and provided to Eligible Entity and HFA. The applicable Schedule or Exhibit shall be deemed modified for all purposes hereunder as of the date such written notice is received pursuant to Section 8 hereof.

(c) Section 9(C) of the Current HPA is hereby amended by deleting the last sentence in its entirety.

H. Exhibit A. Exhibit A attached to the Current HPA is hereby deleted in its entirety and replaced with Exhibit A attached to this Amendment.

I. Schedule A. Schedule A attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule A attached to this Amendment.

J. Schedule B. Schedule B attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule B attached to this Amendment.

K. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Amendment.

- L. Schedule F. A new Schedule F is added to the Current HPA in the form attached to this Amendment as Schedule F.
- M. Definitions. All references in the Current HPA to the "Agreement" shall mean the Current HPA, as further amended by this Amendment; all references in the Current HPA to the "Financial Instrument" shall mean the Second Amended and Restated Financial Instrument in the form attached to this Amendment as Exhibit A; and all references in the Current HPA to Exhibit A or Schedules A, B, C or F shall mean the Exhibit A or Schedules A, B, C or F attached to this Amendment. All references herein to the "HPA" shall mean the Current HPA, as further amended by this Amendment.

2. Substitution of Financial Instrument.

Eligible Entity shall deliver to Treasury on the date hereof a Second Amended and Restated Financial Instrument in the form attached to this Amendment as Exhibit A. By executing this Amendment, Treasury, HFA and Eligible Entity authorize The Bank of New York Mellon to cancel the Financial Instrument previously delivered under the Current HPA against delivery of such Second Amended and Restated Financial Instrument and direct The Bank of New York Mellon to return the cancelled Financial Instrument to (or at the direction of) the Eligible Entity.

3. Representations, Warranties and Covenants

A. HFA and Eligible Entity. HFA and Eligible Entity, each for itself, make the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA and Eligible Entity, each as to itself. In the event that any of the representations or warranties made herein cease to be true and correct or HFA or Eligible Entity breaches any of its covenants made herein, HFA or Eligible Entity, as the case may be, agrees to notify Treasury immediately and the same shall constitute an Event of Default under the HPA.

(1) HFA and Eligible Entity each hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA or Eligible Entity, as applicable, contained in the HPA are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA or Eligible Entity, as applicable, contained in the HPA shall remain in full force and effect and neither HFA, nor Eligible Entity is in breach of any such covenant.

(2) Eligible Entity has the full corporate power and authority to enter into, execute, and deliver this Amendment, the Second Amended and Restated Financial Instrument, and any other closing documentation delivered to Treasury in connection therewith, and to perform its obligations hereunder and thereunder.

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

4. Miscellaneous

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

B. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the HPA.

C. Any provision of the HPA that is determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the HPA, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. This Amendment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic copies of this Amendment, the Second Amended and Restated Financial Instrument, and any other closing documentation delivered in connection therewith, shall be treated as originals for all purposes.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE
INTENTIONALLY LEFT BLANK]

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

HFA:

NEVADA HOUSING DIVISION

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name: CJ Manthe
Title: Administrator

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

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING
ASSISTANCE CORPORATION

By: _____
Name: Sharath Chandra
Title: President & Chairperson of the
Board

Proposed

EXHIBITS AND SCHEDULES

Exhibit A	Form of Second Amended and Restated Financial Instrument
Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses
Schedule F	HHF Fifth Round Funding Reallocation Model

Proposed

EXHIBIT A

FORM OF SECOND AMENDED AND RESTATED FINANCIAL INSTRUMENT

This Second Amended and Restated 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 “Commitment”), entered into as of the Effective Date, as modified by those certain Amendments to Commitment to Purchase Financial Instrument and HFA Participation Agreement dated as of the dates set forth on Schedule A to the Commitment (together, the “Agreement”), by and among the United States Department of the Treasury (“Treasury”), the party designated as HFA in the Commitment (“HFA”) and Eligible Entity.

This Second Amended and Restated Financial Instrument is effective as of June 28, 2016. All of the capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Agreement.

Recitals

WHEREAS, Eligible Entity executed and delivered that certain Amended and Restated Financial Instrument dated as of September 23, 2010 to Treasury (“Original Financial Instrument”); and

WHEREAS, Treasury and Eligible Entity desire to amend certain terms of the Original Financial Instrument regarding repayment of the Purchase Price in connection with the extension of the HHF Program through 2020 and availability of additional assistance under the HHF Program Fifth Round Funding; and

WHEREAS, Treasury and the Eligible Entity desire to restate and replace the Original Financial Instrument in its entirety.

Accordingly, 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 Second Amended and Restated 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 Second Amended and Restated 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 (12 U.S.C. 5201 et seq.) as amended, as the same may be amended from time to time (“EESA”).

2. Repayment of Purchase Price.

If a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services (“Repaid Funds”), and such repayment occurs on or before the Final Repayment Date (hereinafter defined), Eligible Entity shall deposit such Repaid Funds in the Depository Account and use such Repaid Funds to provide Services or to fund the Permitted Expenses to the extent the full amount as indicated on Schedule C to the Agreement has not been drawn from Treasury pursuant to Section 3(A) of the Agreement. Any Repaid Funds retained by Eligible Entity to fund Permitted Expenses shall correspondingly reduce the amount that Eligible Entity may draw from Treasury pursuant to Section 3(A) of the Agreement to fund Permitted Expenses.

For the sake of clarity, if a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services, and such repayment occurs after the Final Repayment Date, such repaid funds shall not be considered HHF Program funds.

3. Final Repayment. In the event Eligible Entity is holding any HHF Program funds, including, but not limited to, amounts reserved for payment of Permitted Expenses and Repaid Funds, as of the date that is ninety (90) days after the End of Term (the “Final Repayment Date”), all such funds shall be returned to Treasury or its designee prior to 1:00pm Eastern Time on the Final Repayment Date. For the sake of clarity, no Capital Draws will be permitted after the Final Repayment Date.

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 Second Amended and Restated 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 Second Amended and Restated Financial Instrument by reference.

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

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

By: _____
Name: _____
Title: _____

Date: _____, 2016

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: Nevada Affordable Housing Assistance Corporation

Corporate or other organizational form: Non-profit corporation

Jurisdiction of organization: Nevada

Notice Information: Nevada Affordable Housing Assistance Corporation

Physical Location:
3016 W. Charleston Boulevard, Suite 160
Las Vegas, NV 89102

Mailing Address:
PO Box 15142
Las Vegas, NV 89114
Phone: (702) 570-5662
Fax: (888) 502-2267

Email: vcampbell@nahac.org
Email: ssharp@rbsllaw.com

HFA Information:

Name of HFA: Nevada Housing Division¹

Organizational form: A Division of the Nevada Department of Business and Industry of the State of Nevada

Date of Application: April 16, 2010

Date of Action Plan: September 1, 2010

Notice Information: Nevada Housing Division
1535 Old Hot Springs Rd., Ste 50

¹ Each Schedule A-1 attached to the First Amendment, the Second Amendment and the Sixteenth Amendment shall remain a part of the HPA.

Carson City, NV 89706
Attn: Administrator
Phone: (775) 687-2040
Fax: (775) 687-4040
Email: cjmanthe@housing.nv.gov

<u>Program Participation Cap:</u>	\$202,911,881.00
<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$102,800,000.00
<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$ 34,056,581.00
<u>Rounds 1-4 Funding Allocation:</u>	\$194,026,240.00
<u>Round 5 Funding Allocation:</u>	\$ 8,885,641.00
<u>Permitted Expenses:</u>	\$ 25,247,676.00
<u>Closing Date:</u>	June 23, 2010
<u>First Amendment Date:</u>	September 23, 2010
<u>Second Amendment Date:</u>	September 29, 2010
<u>Third Amendment Date:</u>	December 16, 2010
<u>Fourth Amendment Date:</u>	April 5, 2011
<u>Fifth Amendment Date:</u>	May 25, 2011
<u>Sixth Amendment Date:</u>	October 28, 2011
<u>Seventh Amendment Date:</u>	December 8, 2011
<u>Eighth Amendment Date:</u>	February 28, 2012
<u>Ninth Amendment Date:</u>	June 28, 2012
<u>Tenth Amendment Date:</u>	September 28, 2012
<u>Eleventh Amendment Date:</u>	August 28, 2013
<u>Twelfth Amendment Date:</u>	June 12, 2014
<u>Thirteenth Amendment Date:</u>	February 19, 2015

<u>Fourteenth Amendment Date:</u>	June 25, 2015
<u>Fifteenth Amendment Date:</u>	October 28, 2015
<u>Sixteenth Amendment Date:</u>	May 6, 2016
<u>Seventeenth Amendment Date:</u>	June 28, 2016
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

Proposed

SCHEDULE B

SERVICE SCHEDULES

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

Proposed

SERVICE SCHEDULE B-1

The Nevada Affordable Housing Assistance Corporation

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	<p>The Principal Reduction Program (“PRP”) will provide assistance to reduce the principal balance of primary (first priority) mortgages for borrowers with an eligible financial hardship and negative equity by: (a) principal reduction and a permanent modification or reamortization (recast) to achieve a lower monthly payment (“Modification or Reamortization”); or (b) principal reduction of a “non-delinquent” borrowers primary mortgage in a significant negative equity position to an amount as close to and not less than 100% loan-to-value (“LTV”) ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrowers (“Negative Equity Reduction”).</p> <p>The assistance will be provided as a one-time payment to lenders/servicers up to a maximum of \$50,000 per household.</p> <p>A borrower’s primary mortgage lender may agree to make a matching reduction to the principal balance of the primary mortgage.</p>
2. Program Goals	<p>The goal of the PRP is to help homeowners avoid foreclosure by reducing the principal balance of their primary mortgage to either (a) facilitate a permanent loan modification or reamortization that achieves an affordable monthly mortgage payment of their primary mortgage or (b) reduce a borrower’s negative equity position on their primary mortgage to an amount as close to and not less than 100% LTV ratio as the amount of per-household assistance will permit.</p>
3. Target Population / Areas	<p>All qualified Nevada residents with negative equity who could achieve an affordable primary mortgage payment and appropriate level of debt with a principal reduction.</p>
4. Program Allocation (Excluding Administrative Expenses)	\$105,762,843
5. Borrower Eligibility Criteria	<p><u>General Eligibility:</u></p> <ul style="list-style-type: none">• Legal U.S. resident or lawful permanent U.S. resident and

Nevada resident.

- Borrower must have an eligible financial hardship as determined by program criteria and underwriting guidelines.
- Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided.
- Borrower's post-assistance housing expenses must meet the definition of an "Affordable Payment." For the purposes of PRP, "Affordable Payment" means the borrower's post-assistance, total monthly primary mortgage payment PITI (principal, interest, taxes and insurance, as applicable) including any escrowed homeowner's association dues or assessments, plus any taxes, insurance and homeowners association dues and assessments which are not escrowed must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).
- Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC, including a financial hardship affidavit.

Additional Eligibility Criteria Applicable to Each Structure of Principal Reduction:

- (a) **Modification or Reamortization Structure** (i.e. principal reduction of a borrower's primary mortgage accomplished exclusively through either an interest rate reduction and/or term extension to achieve a permanent modification, or a reamortization of the remaining unpaid principal balance to achieve a lower monthly payment):
- *Eligible financial hardship*: reduced income due to underemployment, medical condition, divorce or death, as set forth in the program guidelines.
 - Borrower's pre-assistance, total monthly primary mortgage payment PITI including any escrowed or non-escrowed homeowner's association dues or assessments, is greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).
 - Borrower's post-assistance total monthly primary mortgage payment PITI including any escrowed or non-escrowed homeowner's association dues or assessments must be greater than 25% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).
 - Primary mortgage must be delinquent or the borrower

	<p>does not have liquid assets greater than three (3) months of PITI and homeowner’s dues and assessments (if applicable).</p> <ul style="list-style-type: none"> • Funds may be applied to cure: delinquent property taxes; Homeowners Association dues, fees and assessments; and property related insurance as set forth in program guidelines (collectively “Property Related Expenses”). • Pre-assistance principal balance of primary mortgage must be greater than 80% LTV based upon valuation obtained by NAHAC or the servicer. (Assistance provided to Borrowers with post assistance LTVs less than 100% will have a 10 year term and different payment requirements as set forth in this term sheet and the program guidelines.) <p>(b) Negative Equity Reduction (i.e. principal reduction of a “non-delinquent” borrower’s primary mortgage that is in a severe negative equity position to an amount as close to and not less than 100% LTV ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrower):</p> <ul style="list-style-type: none"> • <i>Eligible financial hardship</i>: (1) a negative equity position in which the primary mortgage LTV is 115% or more. Borrower must be current on the primary mortgage at the time of PRP application. • Pre-assistance primary mortgage payment meets NAHAC’s definition of an Affordable Payment.
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the primary mortgage. • For a Modification or Reamortization, the servicer must utilize the PRP monies to bring the primary mortgage current before applying PRP monies to the homeowner’s principal balance. • For a Modification or Reamortization PRP monies may be used to bring delinquent Property Related Expenses current at closing. • Mortgage balance cannot exceed the current GSE loan limit.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Borrowers with liquid assets, other than exempt retirement assets, in excess of the total amount of assistance provided.

	<ul style="list-style-type: none"> • Borrowers with an active bankruptcy. • Borrowers in an active Home Affordable Modification Program (HAMP) trial period plan. • Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy. • Borrowers who fail to satisfy underwriting guidelines of the lender/servicer or NAHAC. • Borrowers with a post-assistance LTV ratio greater than 140% or less than 80% based upon valuation obtained by NAHAC or the servicer. • Borrowers with a post-assistance total monthly first-lien mortgage payment PITI including any escrowed or non-escrowed homeowner's association dues or assessments less than 25% of the homeowner's gross monthly household income, excluding temporary income (e.g., unemployment and short-term disability benefits), or greater than NAHAC's definition of an Affordable Payment. • Property is subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing. • Property is abandoned, vacant or condemned. • Property has more than two mortgages. • Property is listed for sale.
<p>8. Structure of Assistance</p>	<p>The assistance will be administered as a one-time direct payment to the servicer.</p> <p>For Borrowers with a post-assistance LTV greater than or equal to 100%:</p> <p>The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60)</p>

	<p>month period following funding and the lien released.</p> <p>For Borrowers with a post-assistance LTV less than 100%: The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a one hundred and twenty (120) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the one hundred and twenty (120) month period following funding and the lien released.</p> <p>If the borrower defaults under the terms of the loan prior to the maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all net equity proceeds after payment of borrower's closing costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the primary mortgage lienholder will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>Borrowers will not always receive the maximum assistance amount of \$50,000.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
9. Per Household Assistance	The maximum amount of mortgage principal reduction receivable by a qualified borrower is \$50,000.
10. Duration of Assistance	Program funds will be distributed as a one-time payment to the servicer.
11. Estimated Number of Participating Households	Approximately 2,783 households could be assisted under this program assuming an average assistance amount of \$38,000.
12. Program Inception / Duration	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
13. Program Interactions with Other HFA Programs	<p>It is possible that a homeowner may also receive assistance through the Second Mortgage Reduction Plan and/or other HHF Programs.</p> <p>Borrowers may receive assistance from more than one HHF Program as long as the total combined assistance does not exceed</p>

	\$100,000.
14. Program Interactions with HAMP	PRP may work in conjunction with aspects of the Making Home Affordable Program to help eligible borrowers achieve desired housing debt-to-income ratios, permanent affordability and establish an appropriate level of mortgage debt.
15. Program Leverage with Other Financial Resources	While NAHAC does not require a contribution from the servicer, it will be encouraged and in addition, servicers will be requested to waive fees.

Proposed

SERVICE SCHEDULE B-2

The Nevada Affordable Housing Assistance Corporation

SECOND MORTGAGE REDUCTION PLAN

Summary Guidelines

1. Program Overview	<p>The Second Mortgage Reduction Plan (SMRP) will provide assistance to borrowers with an eligible financial hardship who have a second mortgage lien and who: (i) could achieve affordable monthly mortgage payments and an appropriate level of debt if their second mortgage (second lien) were eliminated; or (ii) could achieve affordable monthly mortgage payments and an appropriate level of debt with a principal reduction and reamortization (recast) or modification of their second mortgage.</p> <p>The assistance will be provided as a one-time payment to lenders/servicers up to a maximum of \$50,000 per household.</p>
2. Program Goals	<p>The goals of the SMRP are to help homeowners avoid foreclosure by reducing or eliminating the principal balance of their second mortgage or to facilitate a permanent loan modification or recast that achieves an affordable monthly mortgage payment and reduces the likelihood that a borrower will default.</p>
3. Target Population / Areas	<p>All qualified Nevada residents who could achieve affordable mortgage payments and an appropriate level of debt if their second mortgage were eliminated or reduced.</p>
4. Program Allocation (Excluding Administrative Expenses)	<p>\$35,942,324</p>
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Legal U.S. resident or lawful permanent U.S. resident and Nevada resident.• Borrower must have an eligible financial hardship as determined by program criteria and underwriting guidelines. Eligible financial hardships include (a) borrowers with a reduced income due to underemployment, medical condition, divorce or death, as set forth in the program guidelines, with a negative equity position in which the borrower's combined total loan to value ratio ("CTLV") is 110% or more; or (b) a negative equity position in which the borrower's CLTV is 120% or more.• Borrowers qualifying with a hardship as described in (a), in the previous bullet, must also have pre-assistance, total monthly

	<p>mortgage payments for their primary and second mortgages PITI (principal, interest, taxes and insurance, as applicable) including any escrowed or non-escrowed homeowner’s association dues or assessments, is greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).</p> <ul style="list-style-type: none"> • Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided. • Borrower’s post-assistance housing expenses must meet the definition of an “Affordable Payment.” For the purposes of SMRP, “Affordable Payment” means the borrower’s post-assistance, total monthly mortgage payments for the primary and second mortgages PITI including any escrowed homeowner’s association dues or assessments, plus any taxes, insurance and homeowner’s association dues or assessments which are not escrowed must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits). • Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC, including a financial hardship affidavit. • Second mortgage must be delinquent or the borrower must have a negative equity position in which the CLTV is 120% or more.
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first and second mortgages. • The servicer must utilize the SMRP monies to bring the second mortgage current before applying SMRP monies to the homeowner’s principal balance. • SMRP monies may be used to bring delinquent property taxes; Homeowners Association dues, fees and assessments; and property related insurance as set forth in program guidelines (collectively “Property Related Expenses”) current at closing. • If the amount of SMRP monies is not sufficient to extinguish the second mortgage, the servicer/lender must agree to reamortize or modify the second mortgage. • Combined mortgage balances cannot exceed the current GSE loan limit. • Post-assistance combined principal balance of the primary and second mortgages must not be less than 100% CLTV based upon valuation obtained by NAHAC or the servicer.

<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Borrowers with an active bankruptcy. • Borrowers in an active Home Affordable Modification Program (HAMP) or a Second Lien Modification Program (“2MP”) trial period plan. • Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy. • Property is listed for sale. • Property is currently subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing. • Borrowers with liquid assets, other than exempt retirement assets, in excess of the total amount of assistance provided. • Property is abandoned, vacant or condemned. • Property has more than two mortgages. • Property is subject to a first priority lien securing a Home Equity Line of Credit.
<p>8. Structure of Assistance</p>	<p>The assistance will be administered as a one-time direct payment to the servicer. The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60) month period following funding and the lien released.</p> <p>Borrowers will not always receive the maximum assistance amount of \$50,000.</p> <p>If the borrower defaults under the terms of the loan prior to the maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all net equity proceeds after payment of borrower’s closing</p>

	<p>costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the holders of the senior deeds of trust, will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
9. Per Household Assistance	The maximum amount of second mortgage principal reduction receivable by a qualified borrower is \$50,000.
10. Duration of Assistance	Program funds will be disbursed as a onetime payment to the servicer.
11. Estimated Number of Participating Households	Approximately 1,300 households could be assisted under this program assuming an average assistance amount of \$27,500.
12. Program Inception / Duration	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
13. Program Interactions with Other HFA Programs	This program could interact with the Principal Reduction Program and other HHF Programs pre- and post-assistance. Borrowers may receive assistance from more than one HHF Program as long as the total combined assistance does not exceed \$100,000.
14. Program Interactions with HAMP	Borrowers not eligible for 2MP may be considered for the SMRP.
15. Program Leverage with Other Financial Resources	While NAHAC does not require a contribution from the servicer, it will be encouraged and in addition, servicers will be requested to waive fees.

SERVICE SCHEDULE B-3

The Nevada Affordable Housing Assistance Corporation

SHORT-SALE ACCELERATION PROGRAM

Summary Guidelines

1. Program Overview	The Short-Sale Acceleration Program is aimed at assisting borrowers who are beginning or need to initiate the short-sale process, deed in lieu of foreclosure or a similar foreclosure mitigation measure to relieve themselves of the mortgage burdens that they cannot sustain—even with a material loan principal reduction.
2. Program Goals	It is expected that at a \$5,000 level of average funding per family approximately 100 families facing imminent foreclosure threat will have the burden of their home mortgage eliminated.
3. Target Population / Areas	Those Nevadans that are facing imminent threat of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	\$289,179
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Legal U.S. resident or lawful permanent U.S. resident.• Borrower must have short-sale approval in place with lender if pursuing a short-sale.• Borrower must provide verification of short-sale approval or deed in lieu of foreclosure agreement.• Borrower will be required to sign a financial hardship affidavit attesting to their inability to make mortgage payments.• Borrower must be in default or facing imminent default.• Borrower must be experiencing financial hardship due to circumstances beyond the homeowner’s control (no contrived defaults allowed).• Borrowers who chose to leave the state of Nevada will not receive the rental assistance component of benefits under this program, but will be entitled to all others.
6. Property / Loan Eligibility Criteria	Home is currently owner-occupied and serves as the borrower’s primary residence. If vacant, homeowner must be able to prove that they moved due to extenuating circumstances and that the home was most recently used as a primary residence – not an investment

	<p>property.</p> <p>Borrowers with a second lien will also be considered for the Second Mortgage Reduction Plan program.</p>
7. Program Exclusions	None.
8. Structure of Assistance	This program is direct assistance through direct payment to vendors at closing of the escrow, or immediately post-short-sale closing. The payments will not be structured as a loan.
9. Per Household Assistance	The maximum program benefit per household is \$8,025. Assistance can be used to cover the cost of up to three (3) months of rent (not to exceed \$4,500), fees incurred by a storage facility (not to exceed \$1,000) and/or certain fees which are interfering with the short-sale closing – specifically HOA liens and utility liens.
10. Duration of Assistance	Assistance will be a one-time set of payments.
11. Estimated Number of Participating Households	The Business Plan calls for this program element to assist up to 100 families complete their home abandonment/ownership through a short-sale and matriculate to a rental property somewhere else in Nevada.
12. Program Inception / Duration	The Short-Sale Acceleration Program began on March 1, 2010 and terminated on December 31, 2012.
13. Program Interactions with Other HFA Programs	This program cannot be used when HAFA is also being utilized.
14. Program Interactions with HAMP	None
15. Program Leverage with Other Financial Resources	In the event the short-sale program recipient has incurred a lien as a result of earlier participation in NAHAC’s Principal Reduction, Second Mortgage Reduction Plan or Mortgage Assistance Program, then the lien may be extinguished for the purpose of helping to facilitate the short-sale request.

SERVICE SCHEDULE B-4

The Nevada Affordable Housing Assistance Corporation

MORTGAGE ASSISTANCE PROGRAM (MAP)

Summary Guidelines

1. Program Overview	<p>The Mortgage Assistance Program (MAP) will provide reinstatement assistance to borrowers in default who either:</p> <ul style="list-style-type: none">(a) Were unemployed and are now employed or underemployed. (The current employment may or may not be at the same income level as the borrower’s prior employment)or(b) Are underemployed and their underemployment was caused by a substantial reduction of hours or salary reduction. <p>The assistance will be provided to eligible borrowers to bring their primary (first-lien) mortgage current by curing all past due principal, interest, taxes, homeowner’s association dues and assessments and property related insurance, as applicable (together “Property Related Expenses”) as set forth in the program guidelines.</p> <p>The assistance will be provided as a one-time payment to lender/servicer up to a maximum of \$35,000 per household.</p>
2. Program Goals	<p>The goal of MAP is to help re-employed and underemployed homeowners avoid foreclosure and keep their homes by reinstating their primary mortgages and by curing their delinquent Property Related Expenses.</p>
3. Target Population / Areas	<p>All qualified Nevada residents with an employment-related financial hardship who can demonstrate that they now have the ability to afford their monthly mortgage payments.</p>
4. Program Allocation (Excluding Administrative Expenses)	<p>\$34,056,581</p>
5. Borrower Eligibility Criteria	<p><u>General Requirements:</u></p> <ul style="list-style-type: none">• Legal U.S. resident or lawful permanent U.S. resident and Nevada resident.• Borrower cannot have liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided.

	<ul style="list-style-type: none"> • Borrower agrees to provide all necessary documentation to satisfy program guidelines within the timeframes established by NAHAC, including a financial hardship affidavit. • Eligible Financial Hardships: (i) past unemployment with current employment; (ii) past unemployment with current underemployment; or (iii) current underemployment due to a substantial hour or salary reduction. The unemployment or underemployment must have been caused by circumstances outside the control of the borrower. • If the eligible borrower is underemployed, the borrower must provide documentation of an income reduction of at least 15%, based on a highest income tax year comparison of the past five (5) tax years prior to the date of application. • Borrower must demonstrate satisfactory mortgage payment history prior eligible financial hardship. • Borrower’s mortgage payment must meet the definition of an “Affordable Payment.” For the purposes of MAP, “Affordable Payment” means the borrower’s total monthly primary mortgage payment PITI (principal, interest, taxes and insurance, as applicable) including any escrowed or non-escrowed homeowner’s association dues or assessments, must be no greater than 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits).
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Primary mortgage must be delinquent or must have been delinquent within the 60 days prior to the date of application and the Borrower has delinquent Property Related Expenses. • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in Nevada and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the primary mortgage. • Mortgage balance does not exceed the current GSE loan limit. • Properties with second mortgages are only eligible if the borrower qualifies for and receives assistance under the Second Mortgage Reduction Plan.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Property is subject to a current foreclosure proceeding (judicial or non-judicial) under any lien encumbering the property, including the lien of a Homeowners Association, unless the lender/servicer or Homeowners Association agrees in writing to suspend their foreclosure proceeding and to record a rescission of their notice of default and/or notice of sale at closing. • Borrowers in an active Home Affordable Modification Program (“HAMP”) trial period plan.

	<ul style="list-style-type: none"> • Borrowers under review for a short sale or a deed in lieu. • Property has more than two mortgages. • Borrowers with an active bankruptcy. • Borrowers with a bankruptcy discharge who did not reaffirm their current mortgages in the bankruptcy. • Property listed for sale. • Property is abandoned, vacant or condemned. • Borrowers who are not currently working and collecting a fixed income such as that associated with one of the following: <ul style="list-style-type: none"> ○ Retirement ○ Disability ○ Social Security • Borrowers with liquid assets, other than exempt retirement assets, in excess of the amount of assistance being provided..
<p>8. Structure of Assistance</p>	<p>The assistance will be administered as a one-time direct payment to the servicer. The assistance will be structured as a 0% interest forgivable loan with no monthly payment evidenced by a promissory note with a sixty (60) month term. The loan will be secured by a junior lien on the property. If the borrower complies with the terms of the loan, the loan will be considered satisfied at the end of the sixty (60) month period following funding and the lien released.</p> <p>Borrowers will not always receive the maximum assistance amount of \$35,000.</p> <p>If the borrower defaults under the terms of the loan prior to the maturity date of the note evidencing the assistance loan, the loan will be due and payable to NAHAC. If the borrower sells the property or obtains a refinancing where the borrower is eligible to receive cash out of the transaction before the maturity date of the note, all proceeds after payment of borrower’s closing costs (with the commission to real estate brokers, if applicable, by the borrower limited to 6 percent) and the payment to the holders of the senior deeds of trust, will be due and payable to NAHAC to satisfy payment of all or a portion of the loan funds.</p> <p>All funds returned to NAHAC will be used to assist additional homeowners in accordance with the Agreement.</p>
<p>9. Per Household Assistance</p>	<p>The maximum amount of assistance receivable by a qualified borrower is \$35,000.</p>

10. Duration of Assistance	Program funds will be distributed as a one-time payment to the servicer, Homeowner's Association or County Treasurer as applicable.
11. Estimated Number of Participating Households	Approximately 3,900 households could be assisted under this program assuming an average assistance amount of \$8,700
12. Program Inception / Duration	This program began on March 1, 2010 and will continue until all funds are committed or December 31, 2020, whichever occurs first.
13. Program Interactions with Other HFA Programs	<p>The MAP program could have some form of interactions with other HHF programs both pre- and post-assistance.</p> <p>Borrowers may receive assistance from more than one HHF program as long as the total combined assistance does not exceed \$100,000.</p>
14. Program Interactions with HAMP	MAP funds may be applied prior to HAMP on a case-by-case basis.
15. Program Leverage with Other Financial Resources	NAHAC will request that the loan servicer waive fees (e.g., NSF and late charges).

SERVICE SCHEDULE B-5

The Nevada Affordable Housing Assistance Corporation

MORTGAGE ASSISTANCE PROGRAM

ALTERNATIVE (MAPA)

Summary Guidelines

<p>1. Program Overview</p>	<p>The Nevada Mortgage Assistance Program Alternative (MAPA) is designed to help keep first mortgages current for approximately 415 individuals who are not currently working and collecting a fixed income such as that associated with one of the following:</p> <ul style="list-style-type: none">• Retirement• Disability• Social Security <p>The program will assist those qualified families by paying the lesser of:</p> <p>(a) \$1,000 of the principal, interest, property taxes and property insurance (PITI) (when impounded) toward the monthly first mortgage payment or</p> <p>(b) Total first mortgage payment due for the aforementioned components.</p> <p>Further, the borrower will be responsible for contributing a minimum of \$75 per month toward completing the full payment due. MAPA payments may be extended for qualified families for up to nine (9) months (MAPA Participation Period).</p> <p>MAPA payments are aimed at providing a financial bridge to income restricted, unemployed homeowners that are in pursuit of a homeownership sustainment program.</p> <p>For the purpose of this program, the target population will include individuals which cannot return to the workforce through no fault of their own and are in default or in a situation of imminent threat of going into default due to limited income – subject to satisfaction of all other borrower eligibility criteria.</p> <p>Borrowers will submit their partial payment to NAHAC where it will be combined with the HHF funds and a full remittance made to</p>
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	<p>the loan servicer. Borrowers can apply directly through the NAHAC offices after first completing an appropriate screening tool and being given an appointment with the NAHAC loan underwriter. MAPA payments will invoke a non-recourse lien which will have an earned forgiveness embedded in the Note. Borrowers who are able to sustain their homeownership for thirty-six (36) successive months following closing will have their lien extinguished.</p> <p>If, during or after the MAPA Participation Period, the borrower can demonstrate that he/she can sustain mortgage payments with a debt-to-income ratio (DTI) below 43%, the borrower may become eligible for additional reinstatement assistance (Reinstatement). In order to achieve a DTI below 43%, the borrower may, but is not required to enroll in a homeownership sustainment program. Reinstatement assists qualified borrowers by providing up to \$12,500 to eliminate arrearages and bring the loan current. Reinstatement is only applicable when the entire amount of arrearages can be eliminated.</p>
<p>2. Program Goals</p>	<p>The MAPA goal is to assist fixed-income borrowers in keeping their homes during a period of temporary financial hardship and, thereby, prevent avoidable defaults and foreclosures. MAPA in conjunction with subsequent homeownership sustainment programs and Reinstatement aims to decrease both the number and probability of future foreclosures in Nevada.</p>
<p>3. Target Population / Areas</p>	<p>Funding will be distributed on a first-come, first-served basis with target populations spanning (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada.</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$1,613,278</p>
<p>5. Borrower Eligibility Criteria</p>	<p>To ensure both consistencies with previously approved Participation Agreement programs and to lessen the burdens of administering the MAPA program, adherence to the same underwriting qualification standards will be generally utilized.</p> <p>Thus, borrower eligibility criteria will consist of:</p> <ul style="list-style-type: none"> • Legal U.S. resident or lawful permanent U.S. resident. • Borrower must be in default or facing imminent default. • Borrower must be experiencing financial hardship due to

	<p>circumstances beyond the homeowner's control (no contrived defaults allowed).</p> <ul style="list-style-type: none"> Borrower will be required to sign a financial hardship affidavit attesting to their inability to make mortgage payments. Reinstatement candidates must demonstrate sustainability of current payments. By definition that would mean that their mortgage payment is less than 43% of their household income. The borrower must also demonstrate they still have little or no ability to extinguish past missed payments, penalties or fees. Reinstatement will only be allocated in those instances where the entire past due balance and/or accrued penalties can be eliminated such that the borrower is in good standing post assistance. <p>Basic eligibility criteria will be analyzed either on-line (through the borrower's visit to the website and use of the 'screening tool'), directly at the NAHAC offices or by the designated call center. If borrowers meet screening criteria, application packages will be assembled by the NAHAC underwriters who will do the full verifications/confirmation, enter the borrower's data into the NAHAC database and accounts payable systems and begin the relationship with the borrower's participating banks/lenders/servicers to ensure aid is acceptable to them.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> Home is currently owner occupied and serves as the borrower's primary residence. Mortgage balance is less than the current GSE loan limit.
<p>7. Program Exclusions</p>	<p>Borrowers that have received nine (9) months of assistance through MAP will be ineligible for assistance through MAPA. In the event a borrower has received less than nine (9) months of assistance through MAP or MAPA, the borrower can reapply to receive assistance through either program on a pro-rata basis where any borrower will receive a maximum of nine (9) months of combined assistance.</p>
<p>8. Structure of Assistance</p>	<p>Borrower must proactively pursue homeownership sustainment program which must be verified with forty-five (45) days of closing on MAPA or borrower will be disenrolled from program.</p> <p>This program is administered through direct payments to the servicer. All MAPA assistance will be structured as a 0% interest, forgivable loan secured by a lien recorded against the subject property. The lien has a term of three (3) years and is forgiven following final funding at a rate of thirty-three percent (33%) per</p>

	<p>year with full forgiveness at the end of year three (3) provided the borrower complies with the terms of the loan. The loan will be repayable if the borrower defaults under the terms of the loan or if the borrower sells the property before the three (3) year time period expires and there is equity in the property after payment of the 1st priority lien holder. All funds returned to NAHAC will be recycled until December 31, 2017; thereafter any remaining funds must be returned to Treasury.</p> <p>MAPA recipients who qualify for reinstatement will have up to \$12,500 in reinstatement funds made on a 'one-time basis' directly to the mortgage servicer.</p>
9. Per Household Assistance	<p>The maximum MAPA assistance should not exceed \$1,000/month per recipient for up to nine (9) months for a total aggregate mortgage payment assistance of \$9,000.</p> <p>Reinstatement candidates will be eligible to receive a limited, one-time payment of up to \$12,500.</p> <p>The combined maximum amount of MAPA assistance available to a qualified borrower is \$21,500.</p>
10. Duration of Assistance	<p>MAPA will last up to nine (9) months.</p>
11. Estimated Number of Participating Households	<p>Based upon average assistance of \$9,000 per household, it is anticipated that 75% of the program funds be exhausted by monthly mortgage payment expenditures – for a total of approximately 176 households.</p> <p>The average Reinstatement payout is expected to be \$12,500 per eligible borrower with a portion of MAPA eligible borrowers also qualifying and receiving Reinstatement benefits. The remaining 25% of program funds are anticipated to be used for Reinstatement candidates, a total of approximately forty-two (42) households.</p>
12. Program Inception / Duration	<p>This program began February 2012 and terminated on October 1, 2012.</p>
13. Program Interactions with Other HFA Programs	<p>The MAPA program could have some form of interactions with the other HHF programs both pre- and post-assistance. Borrowers may receive assistance from more than one HHF program as long as the total combined assistance does not exceed \$100,000.</p>
14. Program Interactions with	<p>MAPA recipients that become employed or have an improvement in their economic situation during the period of assistance may also</p>

HAMP	<p>benefit from HAMP.</p> <p>MAPA funds may be applied prior to HAMP since it is most beneficial to both the homeowner and mortgage servicer as payments would be made instead of capitalized and no additional late charges accrued.</p>
15. Program Leverage with Other Financial Resources	<p>NAHAC will work directly with a loan servicer in conjunction with each MAPA borrower to ensure that MAPA funds are strictly used for MAPA-eligible purposes. NAHAC accounting staff will communicate with the servicer to ensure that the MAPA payments are credited only toward current amounts of PITI due on the borrower's first mortgage. Funds will not be applied toward past due penalties except in those instances where the borrower qualifies for Reinstatement.</p>

Proposed

SERVICE SCHEDULE B-6

The Nevada Affordable Housing Assistance Corporation

HOME RETENTION PROGRAM

PROGRAM DEFUNDED ON JUNE 25, 2015

Proposed

SERVICE SCHEDULE B-7

The Nevada Affordable Housing Assistance Corporation

NEVADA RECAST REFINANCE AND MODIFICATION PROGRAM (NRRM)

PROGRAM DEFUNDED ON JUNE 25, 2015

Proposed

SCHEDULE C

PERMITTED EXPENSES

	Nevada
<i>One-Time / Start-Up Expenses:</i>	
Initial Personnel	\$361,409
Building, Equipment, Technology	\$114,868
Professional Services	\$302,034
Supplies / Miscellaneous	\$11,836
Marketing / Communications	\$23,333
Travel	\$7,404
Website Development / Translation	\$14,400
Contingency	\$0
Subtotal	\$835,284
<i>Operating / Administrative Expenses:</i>	
Salaries	\$13,067,190
Professional Services (Legal, Compliance, Audit, Monitoring)	\$2,114,657
Travel	\$251,148
Buildings, Leases & Equipment	\$1,330,119
Information Technology & Communications	\$2,788,718
Office Supplies / Postage and Delivery / Subscriptions	\$345,380
Risk Management/ Insurance	\$339,358
Training	\$40,150
Marketing/PR	\$531,805
Miscellaneous	\$20,000
Subtotal	\$20,828,525
<i>Transaction Related Expenses:</i>	
Recording Fees	\$453,806
Wire Transfer Fees	\$267,275
<i>Counseling Expenses</i>	
File Intake	\$2,230,804
Decision Costs	\$67,661
Successful File	\$50,500
Key Business Partners On-Going	\$513,821
Subtotal	\$2,862,786
Grand Total	\$25,247,676
% of Total Award	12.44%
Award Amount	\$202,911,881

SCHEDULE F

HHF FIFTH ROUND FUNDING REALLOCATION MODEL

This Schedule F describes a uniform model (the “Reallocation Model”) designed to maximize the utilization of the \$2 billion made available under the HHF Program Fifth Round Funding. In general, the Reallocation Model reallocates unused Fifth Round funding to states participating in the HHF Program that meet certain defined criteria for utilization of HHF Program funds. The aggregate amount obligated under the Fifth Round Funding will not increase at any time.

I. Definitions

- (a) “2016 Utilization Threshold” shall mean having Drawn at least 70% of the Rounds 1-4 Funding Allocation.
- (b) “2017 Utilization Threshold” shall mean having Drawn at least 95% of the Rounds 1-4 Funding Allocation.
- (c) “2018 Utilization Threshold” shall mean having Drawn at least 80% of the Program Participation Cap.
- (d) “Annual Reallocation Amount” shall mean the aggregate amount, if any, by which the Program Participation Caps set forth in all HFA Participation Agreements are reduced pursuant to the Reallocation Model, as applied with respect to each Utilization Threshold.
- (e) “Drawn” shall mean having made Capital Draws pursuant to Section 3(A) of the Agreement.
- (f) “HFA Participation Agreements” shall mean, collectively, the Commitments to Purchase Financial Instrument and HFA Participation Agreements entered into by the States, as amended from time to time.
- (g) “Population” shall mean the most recent *Annual Estimate of the Resident Population for a State* as determined by the United States Census Bureau from time to time.
- (h) “Recipient State” shall mean each State that has achieved the Utilization Threshold for the applicable year, provided that such State is not then in default under its HFA Participation Agreement. Notwithstanding the foregoing, in the event a State declines an increase to its Program Participation Cap and Round 5 Funding Allocation for which it is eligible pursuant to this Schedule F, such State shall not be considered a Recipient State.
- (i) “Rounds 1-4 Funding Allocation” is the amount set forth on Schedule A as “Rounds 1-4 Funding Allocation.”
- (j) “Round 5 Funding Allocation” is the amount set forth on Schedule A as “Round 5 Funding Allocation”, as adjusted from time to time in accordance with this Schedule F.

- (k) “Share of Annual Reallocation Amount” shall mean a Recipient State’s share of the applicable Annual Reallocation Amount, as determined using the methodology described in Section IV below. If the Annual Reallocation Amount is zero, then the Share of Annual Reallocation Amount will be zero for the applicable year.
- (l) “State” shall mean any or each of Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, New Jersey, Nevada, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and Washington, D.C.
- (m) “Utilization Threshold” means each of the 2016 Utilization Threshold, the 2017 Utilization Threshold and the 2018 Utilization Threshold.

II. Reduction of Program Participation Cap and Round 5 Funding Allocation:

- (a) If Eligible Entity does not achieve the 2016 Utilization Threshold on or before December 31, 2016, each of the Program Participation Cap and Round 5 Funding Allocation shall be reduced by an amount equal to 50% of the Round 5 Funding Allocation as of such date.
- (b) If Eligible Entity does not achieve the 2017 Utilization Threshold on or before December 31, 2017, each of the Program Participation Cap and the Round 5 Funding Allocation shall be reduced by up to 100% of the Round 5 Funding Allocation as of such date.
- (c) If Eligible Entity does not achieve the 2018 Utilization Threshold on or before December 31, 2018, each of the Program Participation Cap and Round 5 Funding Allocation shall be reduced by an amount equal to that portion of the Round 5 Funding Allocation which has not yet been Drawn nor obligated with respect to a unique homeowner or property as of such date.

III. Increase of Program Participation Cap and Round 5 Funding Allocation:

- (a) If Eligible Entity achieves the 2016 Utilization Threshold on or before December 31, 2016, each of the Program Participation Cap and Round 5 Funding Allocation shall be increased by the State’s Share of the Annual Reallocation Amount with respect to such date.
- (b) If Eligible Entity achieves the 2017 Utilization Threshold on or before December 31, 2017, each of the Program Participation Cap and the Round 5 Funding Allocation shall be increased by the State’s Share of the Annual Reallocation Amount with respect to such date.
- (c) If Eligible Entity achieves the 2018 Utilization Threshold on or before December 31, 2018, each of the Program Participation Cap and Round 5 Funding Allocation shall be increased by the State’s Share of the Annual Reallocation Amount with respect to such date.

IV. Methodology for Determining Recipient State’s Share of Annual Reallocation Amount

If Eligible Entity has achieved the Utilization Threshold and the Annual Reallocation Amount is greater than zero for the applicable year, the Program Participation Cap and Round 5 Funding Allocation will be increased by an amount calculated as follows:

First, calculate the “Per Capita Amount” for each Recipient State. The Per Capita Amount shall be calculated as the Annual Reallocation Amount divided by the sum of the Population of all Recipient States.

Second, calculate the “Utilization Percentage” for each Recipient State.

The Utilization Percentage with respect to the 2016 Utilization Threshold and the 2017 Utilization Threshold shall be calculated as the lesser of (I) the ratio of (x) aggregate Capital Draws made by the Recipient State under its HFA Participation Agreement as of December 31, 2016 and December 31, 2017, respectively, to (y) the Recipient State’s Rounds 1-4 Funding Allocation as of such dates, or (II) 100%.

The Utilization Percentage with respect to the 2018 Utilization Threshold shall be calculated as the ratio of (x) aggregate Capital Draws made by the Recipient State under its HFA Participation Agreement as of December 31, 2018, to (y) such Recipient State’s Program Participation Cap as of such date.

Third, calculate a “Utilization Score” for each Recipient State by standardizing the Utilization Percentages using the z-score methodology, a standard statistical standardization procedure. The Utilization Score for each Recipient State is calculated as (I)(x) the Utilization Percentage for such Recipient State, less (y) the mean Utilization Percentage for all Recipient States (“Average”), divided by (II) the standard deviation of the Utilization Percentages for all Recipient States. If a Recipient State’s Utilization Percentage is greater than the Average, the Utilization Score will be positive. If a Recipient State’s Utilization Percentage is less than Average, the Utilization Score will be negative.

Fourth, calculate a “Need Factor” for each Recipient State. The Need Factor is a fixed dollar amount which will be multiplied by each Utilization Score to determine the dollar amount by which each Recipient State’s Per Capita Amount will be adjusted. The Need Factor is calculated as the dollar amount that would result in the highest adjusted Per Capita Amount for a Recipient State being no more than three (3) times that of the lowest adjusted Per Capita Amount for a Recipient State (*i.e.*, a Min/Max Factor of 3).

Fifth, calculate an “Adjusted Per Capita Amount” for each Recipient State by adding to or subtracting from the Recipient State’s Per Capita Amount the product of (x) the Need Factor and (y) the Recipient State’s Utilization Score. Recipient States with positive Utilization Scores will have dollars added to the Recipient State’s Per Capita Amount, and Recipient States with negative Utilization Scores will have dollars subtracted from the Recipient State’s Per Capita Amount.

Sixth, calculate the “Share of the Annual Reallocation Amount” for each Recipient State by first multiplying the Recipient State’s Adjusted Per Capita Amount by the Recipient State’s

Population to arrive at a “Preliminary Share”. The Preliminary Share for each Recipient State is then normalized to arrive at the Share of the Annual Reallocation Amount by multiplying (x) a ratio, the numerator of which is the Preliminary Share for such Recipient State and the denominator of which is the sum of the Preliminary Shares for all Recipient States, and (y) the Annual Reallocation Amount.

V. Notices; Modifications

- (a) Treasury will notify Eligible Entity in writing of any adjustment to the Program Participation Cap and Round 5 Funding Allocation pursuant to this Schedule F. Related adjustments to program allocations and other amounts set forth in the Service Schedules, and Permitted Expenses set forth on Schedule C, shall be made as set forth in such written notice.
- (b) For the avoidance of doubt, a written amendment to the Agreement shall not be required to effectuate an adjustment of the Program Participation Cap or Round 5 Funding Allocation pursuant to this Schedule F. The Program Participation Cap and Round 5 Funding Allocation set forth on Schedule A to the Agreement shall be deemed to be modified upon receipt of the written notice sent pursuant to Section V(a) above.
- (c) Treasury reserves the right to unilaterally modify or supplement the terms and provisions of this Schedule F, at any time with prior written notice to the Eligible Entity.