

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

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

Recitals

WHEREAS, Treasury, HFA and Eligible Entity entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Original HPA”) dated as of the Closing Date, as previously amended by that certain First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “First Amendment”), as further amended by that certain Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Second Amendment”), as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”), as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”), as further amended by that certain Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fifth Amendment”), as further amended by that certain Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Sixth Amendment”), as further amended by that certain Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Seventh Amendment”), and as further amended by that certain Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eighth Amendment”); and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment and Seventh Amendment, the “Current HPA”), dated as of their respective dates as set forth on Schedule A attached hereto, in connection with Treasury’s federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the “HHF Program”), which was established pursuant to the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time (“EESA”);

WHEREAS, HFA and Eligible Entity submitted a request to Treasury to make certain revisions to their existing Service Schedules and Permitted Expenses, as applicable, and Treasury has agreed to the same;

WHEREAS, HFA, Eligible Entity and Treasury wish to enter into this Ninth Amendment to document all approved modifications to the Service Schedules and Permitted Expenses, as applicable;

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

Agreement

1. Amendments

A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Ninth Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Ninth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Ninth Amendment.

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

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

2. Representations, Warranties and Covenants

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

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

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

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

3. Miscellaneous

A. The recitals set forth at the beginning of this Ninth 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 Ninth 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 Ninth Amendment shall be treated as originals for all purposes.

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

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

HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING

By: /s/ Carol Ditmore
Name: Carol Ditmore
Title: Assistant Deputy
Director/Operations

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name: Timothy G. Massad
Title: Assistant Secretary for
Financial Stability

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

By: /s/ Carol Ditmore
Name: Carol Ditmore
Title: Treasurer

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

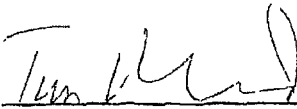
HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING

By: _____
Name: Carol Ditmore
Title: Assistant Deputy
Director/Operations

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: 
Name: Timothy G. Massad
Title: Assistant Secretary for
Financial Stability

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

By: _____
Name: Carol Ditmore
Title: Treasurer

[Signature Page to Ninth Amendment to HPA — Arizona]

EXHIBITS AND SCHEDULES

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

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	Arizona Home Foreclosure Prevention Funding Corporation
Corporate or other organizational form:	Arizona Non-Profit corporation
Jurisdiction of organization:	Arizona domiciliary
Notice Information:	

HFA Information:

Name of HFA:	State of Arizona, Arizona Department of Housing
Organizational form:	Constituent Department of the State of Arizona
Date of Application:	April 16, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	

<u>Program Participation Cap:</u>	\$267,766,006.00
<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$125,100,000.00
<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	N/A

<u>Permitted Expenses:</u>	\$32,155,609.00
<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>	January 26, 2011
<u>Fifth Amendment Date:</u>	March 31, 2011
<u>Sixth Amendment Date:</u>	May 25, 2011
<u>Seventh Amendment Date:</u>	August 31, 2011
<u>Eighth Amendment Date:</u>	March 29, 2012
<u>Ninth Amendment Date:</u>	July 17, 2012
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

SCHEDULE B

SERVICE SCHEDULES

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

SERVICE SCHEDULE B-1

SAVEMYHOMEAZ Principal Reduction Assistance Summary Guidelines

1. Program Overview	<p>Principal Reduction Assistance is being administered by the Arizona Department of Housing (“ADOH”). Efforts may include principal reduction, interest rate reduction, and/or term extension to achieve a permanent modification of a borrower’s primary mortgage so that the borrower’s monthly mortgage payment that does not exceed 31% of the borrower’s monthly income, depending on the agreement with the servicer. Borrowers who are suffering an approved hardship, demonstrate personal responsibility, and whose principal outstanding mortgage balance exceeds 120% of the present market value of the borrower’s residence may be eligible for principal reduction assistance.</p> <p>Depending on the agreement with the servicer, one of two methods will be used to reduce the principal balance of a borrower’s primary mortgage:</p> <ul style="list-style-type: none">• An up-front forgivable loan of up to \$100,000 may be made to eligible borrowers; or• Up to \$100,000 in assistance may be provided over a three-year period. <p>A borrower’s primary mortgage lender may agree to make a matching reduction to the principal balance of the primary loan.</p> <p>The structure of these two types of assistance is further discussed in Section 8.</p>
2. Program Goals	<p>The central goal of Principal Reduction Assistance is to help homeowners avoid foreclosure by permanently modifying a borrower’s primary mortgage to achieve a monthly payment that does not exceed 31% of the borrower’s monthly income and reduces such borrower’s negative equity position, depending on the agreement with the servicer. Loan modifications may include principal reduction (the amount of any principal reduction provided by HHF Program funds may be matched by a borrower’s lender/servicer), interest rate reduction, and/or term extension.</p>
3. Target	<p>The targeted populations are households whose income does not exceed 150% of Area Median Income (“AMI”) and that exhibit a</p>

<p>Population/Areas</p>	<p>commitment to retaining their home and can demonstrate an ability to maintain a financial obligation for the home. These households will be analyzed based on two primary factors — affordability and profitability. Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to such household’s gross monthly income.</p> <p>It is projected that program assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p style="text-align: center;">Maricopa County: 79% of program funds Pima County: 9% of program funds Pinal County: 9% of program funds All other areas: 3% of program funds</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$160,191,630.00</p>
<p>5. Borrower Eligibility Criteria</p>	<ul style="list-style-type: none"> • Eligible financial hardship. Eligible financial hardships include reduced income due to under employment, medical condition divorce or death. Borrower will be required to provide a financial hardship affidavit. • Property must be borrower’s primary residence. • 150% of AMI maximum household income. • Present dollar value of 31% of monthly gross income must be equal to or greater than NPV of REO, depending on the agreement with the servicer. • Depending on the agreement with the servicer, the eligibility will either be determined through application process and application evaluation by ADOH and HUD-approved counselors or may be determined through application evaluation by the servicer and ADOH.
<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Property must be owner occupied. • Mortgage amount must be equal to or less than GSE conforming limits. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for program assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Depending on the agreement with the servicer, mortgage may be required to be a minimum of seven (7) days prior to

	<p>the scheduled date of a trustee's sale with respect to borrower's residence.</p> <ul style="list-style-type: none"> • Single family dwelling (1 to 4 units).
7. Program Exclusions	<ul style="list-style-type: none"> • Current mortgage payment is equal to or less than 31% of borrower's monthly gross income. • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price.
8. Structure of Assistance	<p>Depending on the agreement with the servicer, the structure of assistance may be provided in one of two ways:</p> <ul style="list-style-type: none"> • The Principal Reduction Assistance may provide an up-front, forgivable loan of up to \$100,000 to eligible borrowers. Notes evidencing these loans will be for a term of five (5) years in favor of the Eligible Entity. A forgiveness clause will extinguish the loan amount at the end of five years, provided the consumer has satisfied all terms of the loan. The terms of these loans will be zero interest, zero payment for the duration of the loan. The assistance loan will be considered satisfied upon expiration of five-year term and AHFPFC will release the lien connected with the note. These loans will be utilized to reduce a portion of the principal on the first mortgage loan, the amount of which may be matched by the primary lender/servicer. During the term of the assistance loan, it will be "due on sale", if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program will be reutilized to assist additional homeowners. All funds recycled into the program will be returned to Treasury after December 31, 2017. • Assistance of up to \$100,000 may be provided as a one-time installment or in equal installments over a three year period, at months thirteen (13), twenty-five (25) and thirty-seven (37), provided the homeowner continues to make current mortgage payments. In these cases, assistance will be matched dollar for dollar and, as a result, a loan will not be required in favor of the Eligible Entity. • Home Affordable Refinance Program (HARP) approved refinances are eligible for up to \$100,000 as a one-time grant evidenced by a promissory note. The principal

	reduction contribution may not exceed the maximum household assistance of \$100,000 or the amount needed to bring the outstanding mortgage balance to no less than 100% of the property's fair market value.
9. Per Household Assistance	<ul style="list-style-type: none"> • \$100,000 is the Maximum Amount of Assistance. • \$60,000 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	Permanent modification assistance will be disbursed in full at the initial completion of the modification agreement.
11. Estimated Number of Participating Households	It is anticipated that Principal Reduction Assistance will assist a minimum of 2,674 households in avoiding imminent foreclosures.
12. Program Inception/Duration	This program component began in September 2010 and it is projected that assistance will be expended over a three year period of time. However, repayment of assistance may extend this time frame one or two additional years.
13. Program Interactions with Other Programs (e.g. other HFA programs)	N/A
14. Program Interactions with HAMP	AHFPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers who are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	In order to leverage the funds, ADOH will attempt to have the lender/servicer match any principal reduction provided through the Principal Reduction Assistance Component. It is expected that this match will be no less than one to one. In the event the match is less than one to one, then the structure of assistance will be in the form of a loan as described in the first bullet under Section 8 above. In some instances the lender/servicer will need to contribute a larger amount based upon the affordability/profitability assessment of the transaction and the Principal Reduction Assistance maximum assistance per household. Lender match amounts up to and equal to the amount of program

	funds for any homeowner will be credited at the time of closing of the modification. Lender match amounts greater than the amount of program funds may be credited after closing according to a schedule satisfactory to ADOH.
16. Qualify as an Unemployment Program	N/A

SERVICE SCHEDULE B-2

SAVEMYHOMEAZ Second Mortgage Assistance Component Summary Guidelines

1. Program Overview	Under the Second Mortgage Assistance Component, assistance of up to \$16,500 will be provided to eliminate second mortgages, if necessary to modify the terms of primary loans. This amount may also be available to borrowers where the second mortgage itself is burdensome.
2. Program Goals	The goals of the Second Mortgage Assistance Component are to help homeowners avoid foreclosure by eliminating a second mortgage, if necessary to modify the terms of the primary loan, and to reduce the likelihood that a borrower will re-default under its primary loan as a result of the burden of a second mortgage.
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 150% of AMI, that exhibit a commitment to retaining their home and can demonstrate an ability to maintain a financial obligation for the home.</p> <p>It is projected that program assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p>Maricopa County: 75% of program funds Pima County: 8% of program funds Pinal County: 9% of program funds All other areas: 8% of program funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$4,516,317.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Eligible financial hardship. Eligible financial hardships include: reduced income due to under employment, medical condition divorce or death. Borrower will be required to provide a financial hardship affidavit.• Property must be borrower's primary residence (single family dwelling (1 to 4 units).• 150% of AMI maximum household income.• Present dollar value of 31% of monthly gross income must be equal to or greater than NPV of REO.
6. Property/Loan	<ul style="list-style-type: none">• Property must be owner occupied.

Eligibility Criteria	<ul style="list-style-type: none"> • Mortgage amount must be equal to or less than GSE conforming limits. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for program assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Depending on the agreement with the servicer, mortgage may be required to be a minimum of seven (7) days prior to the scheduled date of a trustee's sale. • Single family dwelling (1 to 4 units).
7. Program Exclusions	<ul style="list-style-type: none"> • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • Current mortgage payment is equal to or less than 31% of borrower's monthly gross income.
8. Structure of Assistance	<p>The Second Mortgage Assistance Component will provide up-front, forgivable, second-position loans to eligible borrowers. Notes on the forgivable second loans will be for a term of five (5) years in favor of the Eligible Entity. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the consumer has satisfied all terms of the loan. The terms of the loan are zero interest, zero payment for the duration of the loan. The assistance loan will be considered satisfied upon expiration of five-year term and ADOH will release the second lien connected with the note. These loans will be utilized to reduce a portion of the principal on the existing second mortgage and the remaining balance will be extinguished by the lender/servicer. During the term of the assistance loan, it will be "due on sale", if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program will be reutilized to assist additional homeowners. All funds recycled into the program will be returned to Treasury after December 31, 2017.</p>
9. Per Household Assistance	<ul style="list-style-type: none"> • The lesser of 40% of UPB and \$16,500 Maximum of Second Mortgage Settlement Assistance. • \$14,000 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	<p>Second mortgage settlement will be disbursed in full at the initial</p>

	completion of the modification agreement.
11. Estimated Number of Participating Households	It is anticipated that the Second Mortgage Assistance Component will assist a minimum of 274 households.
12. Program Inception/Duration	This program component began in September 2010 and it is projected that assistance will be expended over a three year period of time. However, repayment of assistance may extend this time frame one or two additional years.
13. Program Interactions with Other Programs (e.g. other HFA programs)	AHFPPFC will, on behalf of an approved seller, attempt to extinguish the second mortgage as part of a short sale that is part of the short sale assistance component. Assistance is capped at \$8,500.00 when combined with this component.
14. Program Interactions with HAMP	AHFPPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPPFC provides under HAMP can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HAMP programs complement MHA programs.
15. Program Leverage with Other Financial Resources	In order to leverage the funds, ADOH requires the lender/servicer to match any principal reduction provided through the Second Mortgage Assistance Component. It is expected that this match will be no less than seven to one (7:1). Lender match amounts up to and equal to the amount of program funds for any homeowner will be credited at the time of closing of the modification. Lender match amounts greater than the amount of program funds may be credited after closing according to a schedule satisfactory to ADOH.
16. Qualify as an Unemployment Program	N/A

SERVICE SCHEDULE B-3

SAVEMYHOMEAZ

Unemployment/Underemployment/Reinstatement Mortgage Assistance Component Summary Guidelines

1. Program Overview	<p>The unemployment/underemployment/reinstatement mortgage assistance component will provide mortgage relief for qualified unemployed and underemployed borrowers.</p> <p>AHFPPC is responsible for screening borrowers to determine program eligibility and notifying servicers that it intends to provide assistance to a borrower.</p> <p>Servicers may refer potentially eligible borrowers to AHFPPC with prior written approval.</p> <p>If determined by AHFPPC that an eligible borrower has or had a hardship of unemployment or underemployment that has caused delinquency with respect to its mortgage, AHFPPC may, on behalf of that eligible borrower, bring the first mortgage current by curing all past due payments, accrued interest and legal fees. AHFPPC will also request that late fees and NSF fees be waived, but that will not be a requirement. Additional benefits may consist of making a full monthly first mortgage payment to the servicer until the applicable program cap is reached or the borrower becomes sufficiently employed and is able to sustain the payment at 31% of gross monthly income. The borrower will be required to pay a portion of the mortgage payment to AFHPFC in the amount of 31% of household monthly gross income, excluding unemployment benefits.</p> <p>AHFPPC may, on behalf of an eligible borrower, attempt to extinguish a borrower's second mortgage through our Second Mortgage Settlement component.</p> <p>AHFPPC will be responsible for ongoing monitoring of borrowers to ensure continued eligibility if receiving monthly assistance.</p>
2. Program Goals	<p>This program will provide assistance for a set period of time and/or maximum dollar amount so a qualified borrower can search for adequate work or obtain job training without fear of losing its home. The purpose of the program is to assist borrowers until they can obtain sufficient income to resume scheduled mortgage payments or qualify for a modified</p>

	<p>mortgage payment.</p> <ul style="list-style-type: none"> • Sustain the unemployed/underemployed borrower's monthly mortgage payment until the borrower can or the maximum assistance has been provided. • Maintain the borrower's contribution towards its monthly mortgage payment at 31% of their current gross monthly income for the duration of the assistance, excluding unemployment benefits.
3. Target Population/Area	The target population includes eligible homeowners whose hardship is caused by unemployment or underemployment.
4. Program Allocation (Excluding Administrative Expenses)	\$70,427,450.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • If the eligible borrower is unemployed, the borrower must provide proof it applied for unemployment benefits and was approved or denied (UB107, UB100, Claim status report) for reasons identified as acceptable within the program's guidelines. • If the eligible borrower is underemployed, the borrower must provide documentation of a significant reduction of income due to circumstances outside of its control resulting in a housing payment greater than 31% of their monthly gross income. • One or more of the responsible borrowers must be unemployed/underemployed. • Borrowers must participate in quarterly (face-to-face when possible) continued eligibility validation. • Eligibility requirements for reinstatement assistance and principal reduction contribution not to exceed the maximum household assistance of \$100,000 or the amount needed to bring the outstanding mortgage balance to no less than 100% of the property's fair market value: <ol style="list-style-type: none"> 1. Borrower must demonstrate that the hardship caused by unemployment or underemployment has passed. For example, one of the borrowers was unemployed and now the same borrower is employed, eliminating the hardship. 2. There must be a correlation between the qualified hardship and the delinquency in the mortgage payments.

	<p>3. Borrowers must demonstrate that they now have the ability to afford the contractual payments. Affordability is defined as the payment being at or under 31% of documented gross income.</p> <ul style="list-style-type: none"> • Borrower must occupy the subject property its primary residence during the assistance disbursement period. • All borrowers must sign a hardship affidavit and felony certification. • 150% of AMI maximum household income.
<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Unpaid principal balance equal to or less than GSE loan limits. • Property must be owner-occupied. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for program assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Program payments must go toward a first mortgage. • Single family dwelling (1 to 4 units).
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • The servicer is not required to accept mortgage assistance payment if a notice of trustee/sheriff sale has been recorded depending on the agreement with the servicer. • Mortgages that are in foreclosure, depending on the agreement with the servicer. • Eligible Unemployed/Underemployed/Reinstated Borrower(s) whose current first mortgage PITI payment is greater than the program maximum of \$2,000 or the program maximum plus the Borrower(s) 31% contribution of monthly gross income, excluding unemployment benefits. • Properties with a filed Notice of Trustee’s Sale, depending on the agreement with the servicer. • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price.
<p>8. Structure of Assistance</p>	<p>AHFPFC will execute and record a non-recourse, non-interest bearing forgivable note of no more than five (5) years in duration, secured by a junior lien on the property. The note amount will be forgiven at the completion of the loan term. If the borrower refinances or sells the property within the forgivable period, payment will be required if there is sufficient equity to repay. All funds recycled into the program will be returned to the Treasury after December 31, 2017.</p>

<p>9. Per Household Assistance</p>	<p>Servicers have no responsibility for monitoring individual program participation and are not required to refund payments received that exceed individual program caps.</p> <ul style="list-style-type: none"> • Maximum monthly assistance of \$2,000.00. • Maximum number of past due mortgage payments to be rescued is twelve (12) which allows for a maximum of twelve 12 months' of monthly mortgage payment assistance. • \$100,000.00 per household when combined with other program components.
<p>10. Duration of Assistance</p>	<p>Servicers have no responsibility for monitoring payment duration.</p> <ul style="list-style-type: none"> • Up to twenty-four (24) months' of mortgage payment assistance. • Benefits may be provided up to two (2) months post re-employment, provided the twenty-four (24) months' maximum of mortgage payment assistance has not been met.
<p>11. Estimated Number of Participating Households</p>	<p>It is anticipated that the unemployment/underemployment mortgage assistance component will assist a minimum of 3,674 households.</p>
<p>12. Program Inception/Duration</p>	<p>This program component began in March 2011 and it is expected to last approximately one to three years or until AHFPFC funds are fully utilized. All funds still available after December 31, 2017 will be returned to Treasury.</p>
<p>13. Program Interactions with Other Programs (e.g. other HFA Programs)</p>	<p>N/A</p>
<p>14. Program Interactions with HAMP</p>	<p>AHFPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA</p>

	programs.
15. Program Leverage with Other Financial Resources	Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made. If the loan is reinstated or modified following AHFPFC mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.
16. Qualify as an Unemployment Program	N/A

SERVICE SCHEDULE B-4

SAVEMYHOMEAZ Short Sale Assistance Component Summary Guidelines

1. Program Overview	<p>Short sale assistance will provide the eligible seller the funds needed to relocate when a short sale has been approved by the homeowner's servicer. Assistance is for sellers who can no longer afford their home due to hardship such as unemployment, underemployment, death, disability or divorce of a homeowner or co-homeowner. Additionally, it will provide much needed enhancements to the short sale process for qualified sellers that are approved for a short sale by their lender.</p> <p>AHFPFC is responsible for screening sellers to determine program eligibility and providing notification for the seller and servicer/lender that it intends to provide assistance to the seller.</p> <p>Servicers may refer potentially eligible sellers to AHFPFC with prior written approval.</p> <p>AHFPFC will, on behalf of an approved seller, provide \$4,500.00 per household receiving no other short sale assistance plus 3% of the subject property purchase price in the form of a seller paid closing cost on a short sale transaction.</p> <p>Borrowers will be required to maintain the property until the home is sold.</p> <p>AHFPFC will, on behalf of an approved seller, attempt to extinguish the second mortgage through our Second Mortgage Settlement Component, which is capped at \$8,500.00 when combined with this component.</p> <p>AHFPFC will, provide funds directly to the homeowner as a part of the short sale closing/funding process but not prior to closing.</p>
2. Program Goals	<p>Short sale assistance was designed to help stabilize communities by providing assistance to consumers in unrecoverable situations to transition from homeownership to renting as well as enhance the marketability of short sale properties and accelerate the stabilization of property value.</p>

3. Target Population/Area	The targeted populations are households whose income does not exceed 150% of Area Median Income (“AMI”) and that exhibit an inability to retain their home.
4. Program Allocation (Excluding Administrative Expenses)	\$475,000.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • The household must have gross income of no more than 150% of AMI for the county in which the property is located. • Eligible financial hardship. Eligible financial hardships include: reduced income due to unemployment, underemployment, death, disability or divorce of a homeowner or co-homeowner. Borrower will be required to provide a financial hardship affidavit. • Borrower (s) must provide proof of short sale approval from servicer and final HUD-1 as a part of the closing process. • All sellers must sign a hardship affidavit and felony certification. • The seller must provide a copy of the fully-executed purchase and sale agreement.
6. Property/Loan Eligibility Criteria	The property must be the borrower’s principal residence; additional property criteria must be satisfied, including: <ul style="list-style-type: none"> • Unpaid principal balance equal to or less than GSE loan limits. • Property must be owner-occupied. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for program assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Single family dwelling (1 to 4 units)
7. Program Exclusions	<ul style="list-style-type: none"> • Property located outside of Arizona. • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • Sellers who apply for assistance after the short sale has been completed. • Sellers who are executing a “strategic default” (determination made through program underwriting guidelines). • Sellers whose current mortgage(s) PITI payment is

	<p>equal to or less than 31% of monthly gross income excluding unemployment benefits.</p> <ul style="list-style-type: none"> • Properties that are under contract that has been approved by the lender/servicer at the time of the assistance application.
8. Structure of Assistance	Assistance under this component will be structured as a one-time grant.
9. Per Household Assistance	<ul style="list-style-type: none"> • \$4,500.00 per household receiving no other short sale assistance plus 3% of the purchase price. • Sellers participating in Home Affordable Foreclosure Alternative (HAFA) Assistance may be compensated up to \$1,500 (which with the \$3,000 HAFA assistance brings total assistance to seller to \$4,500) plus 3% of the purchase price. • Sellers participating in a comparable proprietary program offered by a Servicer may be provided with assistance up to an amount that, when coupled with the Servicer's assistance, does not exceed \$4,500 plus 3% of the purchase. • \$25,000.00 per household when combined with other program components.
10. Duration of Assistance	Program is a one-time payment per seller household, made upon close of escrow on the short sale.
11. Estimated Number of Participating Households	Based on AHFPFC eligibility criteria and available funding, we expect to provide assistance to a minimum of 148 households.
12. Program Inception/Duration	<p>This program component began in June 2011 and it is projected that assistance will be expended over a three year period of time.</p> <p>All funds still available after December 31, 2017 will be returned to Treasury.</p>
13. Program Interactions with Other Programs (e.g. other HFA Programs)	N/A
14. Program Interactions with HAMP	AHFPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to

	expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	N/A
16. Qualify as an Unemployment Program	N/A

SCHEDULE C

PERMITTED EXPENSES

Program Duration (years)	Arizona
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$0.00
Building, Equipment, Technology	\$9,000.00
Professional Services	\$4,192.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$0.00
Travel	\$0.00
Website development /Translation	\$213,851.00
Contingency	\$100,000.00
Subtotal	\$327,043.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$6,612,913.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$173,790.00
Travel	\$34,730.00
Buildings, Leases & Equipment	\$678,720.00
Information Technology & Communications	\$50,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$80,736.00
Risk Management/ Insurance	\$18,144.00
Training	\$20,000.00
Marketing/PR	\$300,000.00
Miscellaneous	\$657,078.00
Subtotal	\$8,626,111.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$8,543,438.00
Wire Transfer Fees	\$1,386,435.00
<i>Counseling Expenses</i>	
File Intake	\$2,348,494.00
Decision Costs	\$92,014.00
Successful File	\$2,990,454.00
Key Business Partners On-Going	\$7,841,620.00
Subtotal	\$23,202,455.00
Grand Total	\$32,155,609.00
% of Total Award	12.01%
Award Amount	\$267,766,006