

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

This Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eighth Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Eighth 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”), and as further amended by that certain Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Seventh Amendment”; and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment and Sixth 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 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 Eighth 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 Eighth Amendment; and all references in the Current HPA to Schedules A or B shall mean the Schedules A or B attached to this Eighth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Eighth 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 Eighth 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 Eighth 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 Eighth Amendment and any other closing documentation delivered to Treasury in connection with this Eighth 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 Eighth Amendment and any other closing documentation delivered to Treasury in connection with this Eighth Amendment, and to perform its obligations hereunder and thereunder.

3. Miscellaneous

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

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE
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In Witness Whereof, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

HFA:

NEVADA HOUSING DIVISION

By: /s/ Charles L. Horsey
Name: Charles L. Horsey
Title: Administrator

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING
ASSISTANCE CORPORATION

By: /s/ Charles L. Horsey
Name: Charles L. Horsey
Title: President

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

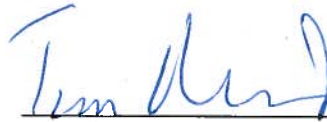
HFA:

NEVADA HOUSING DIVISION

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING
ASSISTANCE CORPORATION

By: _____
Name:
Title:

EXHIBITS AND SCHEDULES

Schedule A	Basic Information
Schedule B	Service Schedules

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:	

HFA Information:

Name of HFA:	Nevada Housing Division ¹
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:	

<u>Program Participation Cap:</u>	\$194,026,240.00
<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$102,800,000.00

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

<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$ 34,056,581.00
<u>Permitted Expenses:</u>	\$ 24,978,556.00
<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>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

The Nevada Affordable Housing Assistance Corporation

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	<p>To ensure that approximately 1,500 Nevada families are able to stay in their homes with a permanent change to their mortgages via principal reductions which will provide qualified homeowners a principal reduction of up to \$50,000. The 1st Mortgage Principal Reduction Program will assist the underemployed and/or income restricted homeowner candidates to keep occupancy and ownership of their home. This program will target HAMP eligible borrowers on a Servicer matched 1:1 basis, if applicable. HARP eligible borrowers will be processed on an unmatched basis.</p> <p>The following method will be used to reduce the principal balance of a borrower's primary mortgage:</p> <ul style="list-style-type: none">• A forgivable loan may be made to eligible borrowers for up to \$50,000 with such assistance provided in a one-time up-front payment to the lender/servicer for both HAMP and HARP eligible borrowers; or• Up to \$50,000 in assistance may be provided over a three-year period for HAMP eligible borrowers which receive a matching contribution from their Servicer.
2. Program Goals	<p>The primary goal is to reduce first mortgage principal balances such that their loan to value ratios are reduced and correspondingly, the PITI payment reduced to 43% or less of the homeowner's gross income.</p>
3. Target Population / Areas	<p>The funding will be distributed via a geographic formula of 1/3+1/3+1/3 weight for unemployment + foreclosure rate + population. There will be target population segmentation into (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada. Where a finer breakdown is possible within each of the three geographic areas, zip code and census tract targeting will be utilized.</p>
4. Program Allocation (Excluding Administrative Expenses)	\$75,412,386.70

<p>5. Borrower Eligibility Criteria</p>	<ul style="list-style-type: none"> • Legal US Resident. • Home is currently owner occupied. • Current income does not exceed 150% of Area Median Income as then published by HUD. • Borrower will be required to provide a Hardship Affidavit. <p>Eligibility criteria will be first analyzed by the referring loan Servicer before referral to Nevada’s Hardest Hit Fund. If applicants meet screening criteria by participating Servicer, application packages will be assembled and forwarded onto the NAHAC underwriters who will do the full verifications/confirmation and begin the relationship with the participating banks/lenders/servicers to work through the calculation of aid levels.</p> <p>Funding will be provided on a first come-first-served basis within each geographical zone.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Owner occupied. • Pre-reduction / Pre-modification principal balance must exceed 115% based upon valuation obtained by NAHAC or the Servicer. The post assistance PITI payment cannot exceed 43%. • Servicers will be encouraged to refinance mortgages to a fixed rate 30 year or longer mortgage. • Mortgage balance cannot exceed \$729,750.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Borrower owns other real property.
<p>8. Structure of Assistance</p>	<p>Depending on the agreement with the lender/servicer, the structure of assistance may be provided in one of two ways:</p> <ul style="list-style-type: none"> • No lien will be required in the event the Servicer provides a dollar for dollar match of funds provided by Nevada Hardest Hit Fund toward the borrower’s Principal Reduction. • In the event there is no matching contribution by the Servicer, assistance may be structured as a forgivable lien recorded against the property. Borrowers who maintain homeownership for the 36 months following assistance will earn lien forgiveness and will not be required to repay their assistance. The lien has a term of 36 months and is forgiven at a rate of 33% per year with full forgiveness at the end of year 3. If the borrower sells the property before the forgiveness period expires; all net sale proceeds up to the full principal balance outstanding and not yet forgiven will be due and payable to NAHAC. All funds returned to NAHAC may be recycled until December 31, 2017; thereafter they will be returned to Treasury.

	<ul style="list-style-type: none"> Assistance may be provided to the Servicer in equal installments per the preference of the Servicer over a three year period, at months 13, 25 and 37, provided the homeowner remains in the home and continues to make current mortgage payments. This three payment structure will not require a loan in favor of the Eligible Entity. Alternatively, assistance may be paid to the Servicer in one installment so long as the borrower has successfully completed a trial modification when applicable <p>In the event that the program recipient subsequently participates in the NAHAC's Short Sale Acceleration Program, then the lien recorded as a result of participation in the Principal Reduction Program may be extinguished.</p>
9. Per Household Assistance	The maximum amount of 1 st mortgage curtailment receivable by a qualified borrower is \$50,000. The median amount is expected to be close to the maximum (skewed right poisson distribution) amount.
10. Duration of Assistance	Program funds will be distributed as a one-time payment unless the Servicer elects the three payment mode.
11. Estimated Number of Participating Households	Approximately 1,500 households could be assisted under this Program.
12. Program Inception / Duration	<p>The HAMP specific segment of this program began on March 1, 2010. This Program could last up to 48 months.</p> <p>The HARP specific segment of this program is to be introduced in January 2012. This Program could last up to 48 months.</p>
13. Program Interactions with Other HFA Programs	<p>The 1st mortgage principal reduction program is aimed at both the underemployed population and the fully employed income qualified/limited home owners, not the unemployed. Thus, it is possible that a homeowner could receive a 1st mortgage curtailment type principal reduction through this Program and then subsequently lose their job and eventually need the short-sale assistance program.</p> <p>It is also possible that a homeowner may receive a 2nd lien reduction or Mortgage Payment Assistance.</p> <p>Each HARP eligible candidate will be screened for 2nd lien reduction eligibility.</p>

14. Program Interactions with HAMP	Participating Servicers will screen their databases for HAMP eligible borrowers on a regular basis and make referrals as appropriate.
15. Program Leverage with Other Financial Resources	While Nevada does not require a contribution from the Servicer, it will be encouraged. Nevada will also request that the loan servicer waive certain fees like late charges, delinquency fee and penalties and recast the principal reduced loan and participate in its recordation.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SERVICE SCHEDULE B-2

The Nevada Affordable Housing Assistance Corporation

SECOND MORTGAGE REDUCTION PLAN

Summary Guidelines

1. Program Overview	The Second Mortgage Reduction Plan is aimed at assisting borrowers who have a second mortgage lien interfering with either a short-sale, refinance or modification of the first mortgage. The expected applicant pool is believed to be both unemployed and underemployed families.
2. Program Goals	The expected outcome of this program is to assist up to 2,200 families remove the impediment of a second lien on their property such that either a short sale, refinancing or first mortgage modification can be carried out and thus prevent a foreclosure.
3. Target Population / Areas	The funding will be distributed via a geographic formula of 1/3+1/3+1/3 weight for unemployment + foreclosure rate + population. There will be target population segmentation into (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada. Where a finer breakdown is possible within each of the three geographic areas, zip code and census tract targeting will be utilized.
4. Program Allocation (Excluding Administrative Expenses)	\$ 36,552,962.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Legal US Resident.• Home is currently owner occupied• Current income does not exceed 150% of Area Median Income as then published by HUD.• Borrower must be in default or facing imminent default or participating in a principal curtailment application under the HHF Principal Reduction Program with their HHF participating Servicer.<ul style="list-style-type: none">• Delinquency based on a financial hardship due to circumstances beyond the homeowner's control (no contrived defaults allowed).• Borrower will be required to provide a Hardship Affidavit.

	<p>Eligibility criteria will be analyzed either on-line by the borrower's visit to the web site and using the 'screening tool,' directly at the intake portal of the contract agents (foreclosure mitigation and mediation agencies) or by the designated call center. If applicants meet screening criteria, application packages will be assembled and forwarded onto the NAHAC underwriters who will do the full verifications/confirmation and begin the relationship with the participating banks/lenders/servicers to work through the calculation of aid levels.</p> <p>Funding will be provided on a first come-first-served basis within each geographical zone. Monitoring of funding commitments/pipelines by zone will allow sufficient trend evidence to allow for sufficient lead time to 'cut-off' further funding commitments what might exceed available resources.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Owner occupied. • Should have only one existing mortgage and a 2nd lien. In circumstances where there exists a 3rd lien strictly associated with a governmental or non-profit sponsored 'down payment assistance program' the 3rd lien relief will also be accepted for assistance under this program. • The PITI cannot exceed 43% following the removal of the 2nd lien except in conjunction with a short sale, when the borrower can provide verification that they are in pursuit of a homeownership sustainment program or when the 2nd lien is held by a down payment assistance provider. • All 2nd liens obtaining relief through this program element will have an accompanying lien release. • The maximum 2nd lien size eligible for relief under this program element must be equal to or less than \$41,250 unless the lien holder agrees to write down a greater balance. • 1st mortgage balance cannot exceed \$729,750.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • If a second lien exceeds the program limit of \$41,250 (unless the lien holder agrees to write down a greater balance) or a program contribution of >\$16,500 is needed then the borrower would be ineligible. • Borrower owns other real property.

8. Structure of Assistance	<p>Depending on the agreement with the lender/servicer, the structure of assistance may be provided in one of two ways:</p> <ul style="list-style-type: none"> • No lien will be required in the event the Servicer provides a dollar for dollar match of funds provided by Nevada Hardest Hit Fund. • In the event there is no matching contribution by the Servicer, assistance will be structured as a forgivable lien recorded against the property. Borrowers who follow through and earn the loan forgiveness will not be required to repay their lien. The lien has a term of 3 years and is forgiven at a rate of 33% per year with full forgiveness at the end of year 3. If the borrower sells the property before the forgiveness period expires; all net sale proceeds up to the unforgiven lien balance will be due and payable to NAHAC. All funds returned to NAHAC may be recycled until December 31, 2017; thereafter they will be returned to Treasury. • Assistance will be structured as a one-time payout to the Servicer. <p>In the event a program recipient subsequently participates in the NAHAC's Short Sale Acceleration Program, the lien recorded as a result of participation in the Second Mortgage Reduction Plan program may be extinguished.</p>
9. Per Household Assistance	<p>The maximum amount of 2nd mortgage lien relief from the program will be \$16,500.</p>
10. Duration of Assistance	<p>The 2nd lien elimination program will be a one-time payment program.</p>
11. Estimated Number of Participating Households	<p>It is estimated that up to 2,200 applicants/families could receive 2nd lien relief under this program. If the level of lender participation exceeds 60% versus the program's 40% or the average program funding level averages less than the maximum of \$16,500 in necessary funding to create the 2nd lien relief, then there could be an increase in the number of borrowers assisted.</p>
12. Program Inception / Duration	<p>The Second Mortgage Reduction Plan program began March 1, 2010 and could last up to 48 months.</p>
13. Program Interactions with Other HFA Programs	<p>None.</p>

<p>14. Program Interactions with HAMP</p>	<p>The program will have an active interface with the HAMP program.</p> <p>During the ‘in-take’ process with the foreclosure mitigation/mediation agencies, the applicants will be screened for HAMP eligibility and where it is indicated that a borrower would be eligible, they will be channeled into a HAMP loan modification. If the applicant needs 2nd lien relief in order to effectuate a HAMP or 1st mortgage principal reduction program process then the 2nd lien relief element will be utilized. NAHAC wishes to supplement and complement the federal programs and where needed to create added funds flow to ensure long term solutions to the borrower’s need.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>The basis of the 2nd lien relief program is to ‘free up’ the first mortgage note holder to complete the necessary modification or refinance to keep the borrower current and in their home. In order to leverage the 2nd lien relief funds, the program requires participating lenders to contribute a minimum of \$0.60 for each \$0.40 contributed by this program except in the event the 2nd or 3rd lien is held by a down payment assistance program provider, in which event no matching funds will be required.</p>
<p>16. Qualify as an Unemployment Program</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

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 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 an \$8,025 level of average funding per family assisted up to 1,371 families facing imminent foreclosure threat, will have the burden of their home mortgage eliminated and the threats of a default judgment removed.
3. Target Population / Areas	Those Nevadans that are facing imminent threat of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	\$6,175,464.30
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Legal US Resident.• Home is currently owner occupied. 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 property.• Borrower must have short-sale approval in place with lender.• Borrower must provide verification of short sale approval.• Borrower will be required to provide a financial Hardship Affidavit attesting to their inability to make mortgage payments.
6. Property / Loan Eligibility Criteria	<ul style="list-style-type: none">• Borrowers with a 2nd lien will also be considered for the Second Mortgage Reduction Plan.• 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.
7. Program Exclusions	<ul style="list-style-type: none">• Borrower owns other real property.

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 is program benefit per household is \$8,025.
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 1,371 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 March 1, 2010 and could last up to 48 months.
13. Program Interactions with Other HFA Programs	To the fullest extent possible, absent specific federal program prohibitions/limitations, the Short-Sale Acceleration Program element will build on or utilize the H.A.F.A. program in parallel. If it is possible to utilize both the federal H.A.F.A. program funds underneath the Short-Sale Acceleration Program funds, then the number of possible candidates assisted through the painful short-sale process would increase beyond the projected 1,371.
14. Program Interactions with HAMP	The candidates for the Short-Sale Acceleration program will have been through a HAMP or similar private bank or GSE loan modification process and 'failed' by a sufficiently material level to not even qualify for NAHAC's 1 st mortgage Principal Reduction Program. Thus, the data/processes will show factually that the only realistic result for the borrower is the short-sale.
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.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SERVICE SCHEDULE B-4

The Nevada Affordable Housing Assistance Corporation

MORTGAGE ASSISTANCE PROGRAM (MAP)

Summary Guidelines

<p>1. Program Overview</p>	<p>The Nevada Mortgage Assistance Program (MAP) is designed to help keep first mortgages current for approximately 5,220 families who have an unemployed or underemployed wage earner. The program will assist those qualified families by making up to the lesser of: (a) \$1,000 (one thousand dollars) of the principal, interest, property taxes and property insurance (when impounded) excluding Home Owner Association fees or (b) total payment due for those four components, to the family’s monthly first mortgage payment only. Further, the borrower will be responsible for contributing a minimum of seventy-five dollars (\$75) per month toward completing the full payment due. MAP payments may be extended for qualified families for up to 9 months with the right to extend up to 12 months if still unemployed or underemployed. The MAP payments are aimed at providing a financial bridge to unemployed or underemployed persons. For the purpose of this program, unemployed will be defined as an individual that is not currently working. Underemployed will be defined as any individual that is in in default or in a situation of imminent threat of going into default on their mortgage due to a change in economic status, working less than 50% of full time hours or a material reduction in measureable income, all subject to satisfaction of all other borrower eligibility criteria.</p> <p>Borrowers will submit their partial payment to the Nevada Affordable Housing Assistance Corporation (NAHAC) where it will be combined with the HHF funds and a full remittance made to the loan servicer for the loan. Borrowers can apply either through participating lenders/servicers who have received special training or directly through the NAHAC offices after first completing an appropriate screening tool and being given an appointment with the NAHAC loan underwriter. MAP 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 30 successive months following the end of the MAP payments will have their lien extinguished.</p> <p>A final component of the MAP program will be a reinstatement component which will provide up to \$12,500 per qualified borrower who was a MAP benefit recipient and has subsequently become re-employed. Under this final phase of the MAP, borrowers who can</p>
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	<p>demonstrate that they can sustain their mortgage under their new income on an ongoing basis per the criteria outlined in the Principal Reduction Program, but have an arrearage or accrued penalties will be eligible to a reinstatement benefit.</p> <p>NAHAC intends to retain/set aside 1% of the total direct support funds for contingency situations, wherein certain recipients may be in need of one-two months (maximum) of added support payment (e.g. while a training programs are completed). These exceptional cases must be approved by the NAHAC Board of Directors. If the contingency is not needed as program capacity is reached, the contingency funds will be put into the normal available funds for the MAP program. Further, the contingency will be reduced pro rata to total MAP program capacity over time so that as the program reaches 60% of capacity without use of any contingency funds, then 60% of the contingency will be released back into the main MAP fund.</p>
<p>2. Program Goals</p>	<p>The MAP program’s goal is to increase the probability that a borrower and/or recipient’s family has a stronger chance of sustaining homeownership with the assistance from the HHF program. The enhanced home ownership through re-employment and job maintenance should decrease both the numbers and probability of foreclosures.</p> <p>The reinstatement benefit for MAP recipients that can demonstrate the sustainability of their mortgage is intended to prevent future foreclosures by helping borrowers regain current status. Sustainability for purposes of reinstatement means lending ratios equal or better than those of the Principal Reduction Program.</p>
<p>3. Target Population / Areas</p>	<p>The State of Nevada is currently enduring the USA’s highest unemployment rate in its workforce. However, the highest levels of unemployed persons in Nevada are primarily centered in the two urban areas (Clark County/Las Vegas area and Reno/Sparks MSA) versus the rural agricultural and mining areas. With the assistance of the Nevada Department of Employment, Training and Rehabilitation’s (“DETR”) published data, MAP funds will be allocated on a pro-rata basis to jurisdictions based on a ratio of actual number of unemployed to total State-wide unemployed as a general allocation matter. However, a semiannual assessment will be undertaken to ensure allocations of remaining funds are representative of changes to the unemployed and underemployed populations in all jurisdictions.</p>

4. Program Allocation (Excluding Administrative Expenses)	\$45,906,871.00
5. Borrower Eligibility Criteria	<p>To ensure both consistencies with previously approved Participation Agreement programs and to lessen the burdens of administering the MAP program, adherence to the same underwriting qualification standards will be generally utilized. Thus, Applicant Eligibility Criteria will consist of:</p> <ul style="list-style-type: none"> • Legal US Resident. • Home is currently owner occupied. • Current income does not exceed 150% of Area Median Income as then published by HUD. • Applicant must be in default or facing imminent default. • Applicant must be experiencing financial hardship due specifically to unemployed or underemployed status. • Applicant will be required to provide a financial hardship affidavit attesting to their inability to make mortgage payments. • Reinstatement candidates must demonstrate sustainability of current payments with existing mortgage as per the Principal Reduction Program criteria, but still have little or no ability to extinguish past missed payments, penalties or fees. <p>Basic eligibility criteria will be analyzed either on-line by the applicant's visit to the web site and using the 'screening tool,' directly at the NAHAC offices or by the designated call center. If applicants meet screening criteria, application packages will be assembled by the NAHAC underwriters who will do the full verifications/confirmation, enter the applicant'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>
6. Property / Loan Eligibility Criteria	<ul style="list-style-type: none"> • Owner occupied. • Mortgage balance cannot exceed \$729,750.
7. Program Exclusions	<ul style="list-style-type: none"> • Borrower owns other real property.
8. Structure of Assistance	<p>This program is administered through direct payment to the Servicer. All MAP program assistance will be structured as a 0% interest, forgivable lien recorded against the property, which will be forgiven over a period of time not to exceed 5 years. The loans will only be repayable if the borrower sells the property before the 5 year time period expires and there is sufficient equity to pay the loan. All MAP</p>

	<p>provided funds returned to program may be recycled until U.S. Treasury imposed deadline of December 31, 2017. Thereafter they will be returned to Treasury. The MAP assistance will be structured as an ‘earned forgiveness’ loan that is forgiven 33% each year.</p> <p>MAP recipients who qualify for reinstatement will have their up to \$12,500 payments made on a ‘one-time basis’ directly to the mortgage servicer.</p>
9. Per Household Assistance	<p>The planned MAP program level of assistance should average approximately \$1,000/month per recipient for up to 9 months or an expected average total mortgage payment assistance of \$9,000.</p> <p>Reinstatement candidates will be limited to a ‘one-time’ amount that is the lesser of up to \$12,500 or 100% of the delinquent payments fees or penalties accrued leading up to their MAP program original eligibility.</p>
10. Duration of Assistance	<p>The MAP assistance will last up to 9 months with a possible extension of up to 12 months if still receiving Unemployment Insurance benefits.</p>
11. Estimated Number of Participating Households	<p>Based upon average assistance of \$9,000 for 80% of the recipients and up to 12 months for 20% of the recipients, then the expected number of potential recipients should be approximately 5,200 net of the number already served under this program through February 2012 and those funds exhausted as a result of reinstatement. This number may also be decreased slightly if the contingency funds described in Section 1 are utilized for such purpose.</p>
12. Program Inception / Duration	<p>This program began on March 1, 2010 and could last up to 48 months.</p>
13. Program Interactions with Other HFA Programs	<p>The MAP program could have some forms of interaction with the other HHF programs. Specifically, if a MAP program recipient does achieve re-employment status and would possibly be a candidate for a HHF principal reduction program, then NAHAC will advise the borrower of such. However, if the recipient drops out of the MAP program due to failing to remit their portion of the monthly mortgage payment, and it appears evident that the borrower may lose their home due to lack of means to sustain the mortgage, then the borrower will be advised about the HHF short-sale program.</p>
14. Program Interactions with HAMP	<p>The MAP program could have some form of interaction with HAMP. HHF Funds (MAP) would be utilized prior to HAMP UP. Implementing the program in this order is the most beneficial to the borrower and investor since payments would continue to be made instead of capitalized, and no late charges or adverse credit reporting</p>

	<p>would occur. If a MAP program recipient does achieve re-employment status and the borrower would possibly be a candidate for either a HAMP modification and/or a HAMP principal reduction program, then NAHAC will advise the borrower of such.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>NAHAC will work with loan servicers for each qualified recipient to ensure that the funds from the MAP program payments are utilized strictly for the borrower's 'current first mortgage loan payments, excluding homeowner association dues and fees and not to 'make up' any past due penalties or payments. NAHAC accounting staff will communicate with the servicer to ensure that the MAP payments are credited only toward current amounts of principal, interest, property taxes and property insurance due by the borrower on their first mortgage. If this means that the borrower and servicer have to execute some form of forbearance or forgiveness on past due amounts, NAHAC will be prepared to assist the borrower with the servicer on this. It is hoped that the servicers will cooperate on these matters. But until NAHAC actually begins distributing Servicer Participation Agreements for the MAP program, actual servicer participation cannot be accurately determined.</p>
<p>16. Qualify as an Unemployment Program</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

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 416 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 (one thousand dollars) of the principal, interest, property taxes and property insurance (when impounded) toward the monthly first mortgage payment</p> <p>(b) Total first mortgage payment due for the four aforementioned components</p> <p>Further, the borrower will be responsible for contributing a minimum of seventy-five dollars (\$75) per month toward completing the full payment due. MAPA payments may be extended for qualified families for up to 9 months.</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 the Nevada Affordable Housing Assistance Corporation (NAHAC) where it will be combined with the HHF funds and a full remittance made to 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</p>
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	<p>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 36 successive months following closing will have their lien extinguished.</p> <p>A final component of MAPA will be a reinstatement component which will provide up to \$12,500 per qualified borrower who participated in MAPA and has subsequently enrolled in a homeownership sustainment program or can demonstrate that their economic situation has improved in such a way that the mortgage payment is now sustainable (i.e. reemployment). Under this final phase of MAPA, those borrowers who can demonstrate that they can sustain homeownership through their verifiable enrollment in a homeownership sustainment program, are entitled to a reinstatement benefit which will cover un-extinguished arrearage/penalties and missed payments.</p>
<p>2. Program Goals</p>	<p>The MAPA program’s goal is to increase the probability that a recipient sustaining homeownership with assistance from the HHF program. Enhanced homeownership through MAPA, subsequent homeownership sustainment programs and reinstatement should decrease both the numbers and probability of foreclosures.</p> <p>The reinstatement benefit for qualified MAPA recipients is intended to prevent future foreclosures by helping borrowers regain current status. Sustainability for purposes of reinstatement means lending ratios equal or better than those of the Principal Reduction Program.</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>\$5,000,000.00</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. Thus, applicant eligibility criteria will consist of:</p> <ul style="list-style-type: none"> • Legal US Resident • Owner occupied • Current income does not exceed 150% of Area Median

	<p>Income as then published by HUD</p> <ul style="list-style-type: none"> • Applicant must be in default or facing imminent default • Applicant must be experiencing financial hardship • Applicant will be required to provide a financial hardship affidavit attesting to their inability to make mortgage payments • Reinstatement candidates must demonstrate sustainability of current payments with existing mortgage as per Principal Reduction Program criteria, but still have little or no ability to extinguish past missed payments, penalties or fees.
	<p>Basic eligibility criteria will be analyzed either on-line by the applicant's visit to the web site and using the 'screening tool, directly at the NAHAC offices or by the designated call center. If applicants meet screening criteria, application packages will be assembled by the NAHAC underwriters who will do the full verifications/confirmation, enter the applicant'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>
6. Property / Loan Eligibility Criteria	<ul style="list-style-type: none"> • Mortgage balance cannot exceed \$729,750.
7. Program Exclusions	<ul style="list-style-type: none"> • Borrowers that have received 9 months of assistance through MAP will be ineligible for assistance through MAPA. In the event a borrower has received less than 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 9 months of combined assistance • Borrowers that own other real property will be ineligible
8. Structure of Assistance	<p>This program is administered through direct payment to the Servicer. Payments will be structured as a non-interest bearing, forgivable lien recorded against the property. The lien will be automatically forgiven over the 36 month timeframe following closing. Forgiveness will occur in equal installments of 33.33% annually.</p> <p>The lien will only be repayable if the borrower sells the property inside of the 36 month timeframe and IF there is sufficient equity to pay the remaining unforgiven balance.</p> <p>All MAPA provided funds returned to program may be recycled until U.S. Treasury imposed deadline of December 31, 2017. Thereafter they will 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'</p>

	directly to the mortgage servicer.
9. Per Household Assistance	<p>Planned MAPA assistance (not including reinstatement) should average approximately \$1,000/month per recipient for up to 9 months or an expected average total mortgage payment assistance of \$9,000.</p> <p>Reinstatement is limited to a ‘one-time’ amount that is the lesser of up to \$12,500 or 100% of the delinquent payments fees or accrued penalties.</p>
10. Duration of Assistance	MAPA will last up to 9 months.
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 416 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 in this category – for a total of 100 households.</p> <p>Thus, a total of 100 households are expected to benefit from both MAPA and reinstatement.</p>
12. Program Inception / Duration	This program began in February 2012 and could last through December 31, 2017.
13. Program Interactions with Other HFA Programs	<p>MAPA recipients could have some interaction with other HHF programs. MAPA recipients that have a second mortgage could possibly become candidates for the HHF second lien relief program.</p> <p>If a MAPA recipient is unable to remit their portion of the monthly mortgage payment due to lack of means to sustain the mortgage, then they could pursue the HHF short-sale program.</p>
14. Program Interactions with HAMP	<p>MAPA recipients that achieve re-employment status or have an improvement in their economic situation could also benefit from HAMP.</p> <p>MAPA funds would be used 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	NAHAC will work with loan servicers for each qualified recipient to ensure that funds from MAPA payments are utilized strictly for the borrower’s first mortgage loan payments to include

	principal, interest, taxes and insurance (excluding homeowner association dues). Funds will not be applied toward past due penalties except in those instances where the borrower qualifies for reinstatement.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No