

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

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

Recitals

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

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

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

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

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

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

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

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

Agreement

1. Services

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

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

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

2. Representations, Warranties and Covenants

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Eligible Entity. Additionally, Eligible Entity hereby makes the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of Eligible Entity. In the event that any of the representations or warranties made herein ceases to be true and correct or Eligible Entity breaches any of its covenants made herein, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

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

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

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

C. HFA. Additionally, HFA hereby makes the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA. In the event that any of the representations or warranties made herein cease to be true and correct or HFA breaches any of its covenants made herein, HFA agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

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

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

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

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

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

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

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

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

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

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

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

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

4. Oversight; Internal Control Program

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

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

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

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

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

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

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

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

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

5. Term

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Treasury may withhold some or all of the Purchase Price until, in Treasury's determination, HFA and/or Eligible Entity (as the case may be) has cured such Event of Default.
- (2) Treasury may: (i) reduce the amounts payable to Eligible Entity under Section 3; and/or (ii) obtain repayment of prior payments made to Eligible Entity under Section 3 to the extent that such funds have not been expended or irrevocably committed by Eligible Entity.
- (3) Treasury may require HFA and/or Eligible Entity to submit to additional administrative oversight, including, but not limited to, additional compliance controls and quality control reviews.
- (4) Treasury may terminate this Agreement and cease its performance hereunder.
- (5) Treasury may require HFA and/or Eligible Entity to submit to additional information and reporting requirements with respect to its financial condition and ability to continue to meet its obligations under this Agreement.

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

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

- (1) Treasury may withhold all or any portion of the Purchase Price until, in Treasury's determination, the Act of Bad Faith has been cured or otherwise remedied to Treasury's satisfaction.
- (2) Treasury may: (i) reduce the amounts payable to Eligible Entity under Section 3; (ii) obtain repayment of any or all prior payments made to Eligible Entity under Section 3 to the extent that such funds have not been expended or irrevocably committed by HFA or Eligible Entity; and/or (iii) work with Eligible Entity to obtain repayment from the HHF Recipients who have committed the Act of Bad Faith.

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

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

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

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

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

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

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

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

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

same would not cause HFA to violate state law or its enabling legislation or governing documents, as applicable, to do so.

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

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

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

7. Governing Law; Venue

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

8. Notices

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

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

Bank of New York Mellon: tarpccpclosing@bnymellon.com

9. Modifications

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

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

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

10. Publicity

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

11. Limitation of Liability

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

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

12. Indemnification

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

13. Miscellaneous

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

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

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

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

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

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

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

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

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

14. Defined Terms; Incorporation by Reference

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

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

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

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

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

HFA:

RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION

By: /s/ Richard Godfrey
Name: Richard Godfrey
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION

By: /s/ Richard Godfrey
Name: Richard Godfrey
Title: Executive Director

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

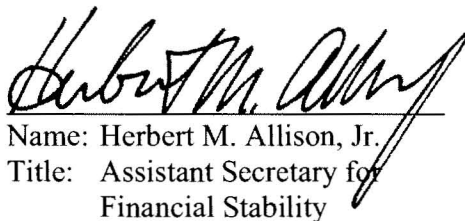
HFA:

RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

RHODE ISLAND HOUSING AND
MORTGAGE FINANCE CORPORATION

By: _____
Name:
Title:

EXHIBITS AND SCHEDULES

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

EXHIBIT A

FORM OF FINANCIAL INSTRUMENT

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

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

1. Eligible Entity Obligation; Purchase Price Consideration.
 - (a) Eligible Entity shall perform all Services described in the Service Schedules in consideration for the Purchase Price described in subsection (b) below, in accordance with the terms and conditions of the Agreement, to the satisfaction of Treasury. The conditions precedent to the payment by Treasury of the Purchase Price with respect to the Services are set forth in Section 3(B) of the Agreement.
 - (b) This Financial Instrument is being purchased by Treasury pursuant to Section 3 of the Agreement through the payment by Treasury of various payments referred to collectively in the Agreement as the "Purchase Price". This Financial Instrument is being purchased by Treasury in connection with Eligible Entity's participation in the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets program (the "HHF Program") created under the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time ("EESA").
2. Repayment of Purchase Price. In the event a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services, Eligible Entity shall use such funds as follows:
 - (a) First, if such funds are repaid on or prior to December 31, 2017, Eligible Entity may use such repaid funds to continue to provide Services to other eligible homeowners up to and including December 31, 2017 or retain such repaid funds to fund the Permitted Expenses to the extent the full amount as indicated on Schedule C to the Agreement has not been drawn from Treasury pursuant to Section 3(A) of the Agreement. Any repaid funds retained by Eligible Entity to fund Permitted Expenses shall correspondingly reduce the amount that Eligible Entity may draw from Treasury pursuant to Section 3(A) of the Agreement to fund Permitted Expenses.
 - (b) Second, if such funds are repaid on or prior to December 31, 2017 and Eligible Entity is no longer providing the Services to new homeowners and the Permitted

Expenses have been fully funded, then Eligible Entity shall remit such funds to Treasury, monthly on the 15th day of each month or first business day thereafter.

(c) Third, if such funds are repaid after December 31, 2017, Eligible Entity shall remit such funds to Treasury, monthly on the 15th day of each month or first business day thereafter.

3. Final Repayment. In the event Eligible Entity is holding any HHF Programs funds, including, but not limited to, excess cash and amounts on deposit in the administrative reserve, as of December 31, 2017, such funds shall be returned to Treasury or its designee prior to 1:00 p.m. Eastern Standard Time on December 31, 2017.
4. Security Interest. As security for the performance of the Services and the other obligations of Eligible Entity under the Agreement, as such obligations are evidenced in this Financial Instrument, Eligible Entity has granted to Treasury a first lien priority security interest in the Depository Account and in any moneys, or investments, if any, held therein.
5. Representations, Warranties and Covenants. Eligible Entity represents and warrants that the representations and warranties set forth in the Agreement, on the date hereof, are, and on the date of each Capital Draw hereunder, shall be, true, correct, accurate and complete in all material respects. The truth and accuracy of such representations and warranties are continuing obligations of Eligible Entity. Additionally, all covenants of Eligible Entity set forth in Section 2 of the Agreement are incorporated herein by reference and Eligible Entity, on the date hereof, is not, and on the date of each Capital Draw hereunder, shall not be in breach of any such covenants. In the event that any of the representations or warranties made herein or in the Agreement cease to be true and correct, or the Eligible Entity breaches any of the covenants made herein or in the Agreement, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.
6. Limitation of Liability

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

7. Indemnification

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

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

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

By: _____

Name: _____

Title: _____

Date: _____, 2010

EXHIBIT B-1

FORM OF HFA CERTIFICATION

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

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

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

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

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

[INSERT FULL LEGAL NAME OF HFA]:

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

Date

EXHIBIT B-2

FORM OF ELIGIBLE ENTITY CERTIFICATION

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

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

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

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

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

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]:

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

Date

EXHIBIT C

FORM OF CAPITAL DRAW REQUEST

[insert date]

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

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

Ladies/Gentlemen:

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

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

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

- (a) no default or Event of Default has occurred and is continuing as of the date hereof and on the Funding Date [other than _____];
- (b) each of the representations and warranties made by HFA and Eligible Entity in the HPA and Financial Instrument are true and correct on and as of such date, as if made on and as of the date hereof and on the Funding Date [other than _____];
- (c) HFA and Eligible Entity are in compliance with the covenants and other agreements set forth in the HPA and Financial Instrument, which shall remain in full force and effect [other than _____];

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

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

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

[INSERT FULL LEGAL NAME OF HFA]

[Name of Authorized Official]

[Title of Authorized Official]

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

[Name of Authorized Official]

[Title of Authorized Official]

CAPITAL DRAW SCHEDULE

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

¹ May not be less than 2.5% nor exceed 20%.

² May not exceed 5.0% on the date of submission of the Draw Request.

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

EXHIBIT D-1

FORM OF LEGAL OPINION - HFA

[Customary introduction/qualifications]

1. HFA has been duly created and is validly existing as a _____ under the laws of the State of _____.
2. HFA has duly authorized the execution and delivery of the Agreement, and no further approval or authorization is required by HFA.
3. HFA has the power and authority to execute and deliver the Agreement and to perform its obligations thereunder.
4. The Agreement has been duly executed and delivered by HFA and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid, legal and binding obligation of HFA, enforceable against HFA in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.
5. The execution and delivery by HFA of the Agreement and the performance by HFA of its obligations thereunder do not and will not: (i) violate the [organizational documents/Enabling Act] of HFA, (ii) to the best of our knowledge, after due inquiry, constitute a breach of or a default under any agreements or other instruments to which HFA is a party, (iii) to the best of our knowledge, after due inquiry, violate any judgment, decree or order of any court or administrative tribunal to which HFA is subject, or (iv) violate any Applicable Laws.
6. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority of the United States or the State of _____ or any other entity having jurisdiction over HFA is required to be obtained prior to the execution and delivery of the Agreement or to perform the obligations contemplated thereby other than those consents, approvals, authorizations, filings, actions and registrations which have been obtained as of the date hereof.
7. HFA has obtained all necessary permits and licenses to perform its obligations under the Agreement.
8. There is no action, suit or proceeding, at law or in equity, or by or before any court or governmental agency, now pending or, to our knowledge, overtly threatened in writing against HFA that challenges the validity or enforceability of, or that seeks to enjoin the performance of, or seeks damages with respect to the Agreements or any of HFA's obligations thereunder.

EXHIBIT D-2

FORM OF LEGAL OPINION - ELIGIBLE ENTITY

[Customary introduction/qualifications]

1. Eligible Entity has been duly incorporated and is validly existing as a _____ and is in good standing under the laws of the State of _____.
2. Eligible Entity has duly authorized the execution and delivery of the Agreement and the Financial Instrument by all necessary [corporate] action, and no further approval or authorization is required by Eligible Entity.
3. Eligible Entity has the power and authority to execute and deliver the Agreement and the Financial Instrument and to perform its obligations thereunder.
4. Each of the Agreement and the Financial Instrument has been duly executed and delivered by Eligible Entity and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a valid, legal and binding obligation of Eligible Entity, enforceable against Eligible Entity in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.
5. The execution and delivery by Eligible Entity of the Agreement and the Financial Instrument and the performance by Eligible Entity of its obligations thereunder do not and will not: (i) violate the [organizational documents] of Eligible Entity, (ii) to the best of our knowledge, after due inquiry, constitute a breach of or a default under any agreements or other instruments to which Eligible Entity is a party, (iii) to the best of our knowledge, after due inquiry, violate any judgment, decree or order of any court or administrative tribunal to which Eligible Entity is subject, or (iv) violate any Applicable Laws.
6. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority of the United States or the State of _____ or any other entity having jurisdiction over Eligible Entity is required to be obtained prior to the execution and delivery of the Agreement and the Financial Instrument or to perform the Services contemplated thereby other than those consents, approvals, authorizations, filings, actions and registrations which have been obtained as of the date hereof.
7. Eligible Entity has obtained all necessary permits and licenses to perform the Services it is obligated to perform under the Agreement.
8. There is no action, suit or proceeding, at law or in equity, or by or before any court or governmental agency, now pending or, to our knowledge, overtly threatened in writing against Eligible Entity that challenges the validity or enforceability of, or that seeks to enjoin the performance of, or seeks damages with respect to, the Agreement, the Financial Instrument or the Services.

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: Rhode Island Housing and Mortgage Finance Corporation¹

Corporate or other organizational form: a public corporation of the state of Rhode Island, established and existing under the Rhode Island Housing and Mortgage Finance Corporation Act, as amended Chapter 42-55, State of Rhode Island General Laws.

Jurisdiction of organization: Rhode Island

Notice Information:

[continued on following page]

¹ References in the Agreement to the term “HFA” shall mean the Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island Housing”) in its capacity as HFA as such term is used in the Agreement; and references in the Agreement to the term “Eligible Entity” shall mean Rhode Island Housing, in its capacity as Eligible Entity as such term is used in the Agreement.

Notwithstanding anything to the contrary in the Agreement, (A) for purposes of Section 4(G) thereof, annual audited financial statements shall be due no later than one hundred eighty (180) days after the end of Rhode Island Housing’s fiscal year, and (B) for purposes of Section 7 thereof, the powers and authority of Rhode Island Housing shall be governed by and construed in accordance with the laws of the State of Rhode Island.

HFA Information:

Name of HFA: Rhode Island Housing and Mortgage Finance Corporation¹

Organizational form: a public corporation of the state of Rhode Island, established and existing under the Rhode Island Housing and Mortgage Finance Corporation Act, as amended Chapter 42-55, State of Rhode Island General Laws.

Date of Application: May 27, 2010

Notice Information: Same as notice information for Eligible Entity.

Program Participation Cap: \$43,000,000.00

Closing Date: August 3, 2010

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

SERVICE SCHEDULE B-1

Rhode Island Housing's

Loan Modification Assistance for HAMP Customers (LMA-HAMP)

Summary Guidelines

1. Program Overview	<p>The Loan Modification Assistance for HAMP Customers (LMA-HAMP) will provide up to \$6,000 in assistance to allow homeowners to qualify for a HAMP modification. There is evidence that, in many circumstances, less than \$10,000 can reverse an adverse decision arising out of the HAMP qualification analysis.</p> <p>LMA-HAMP is designed to address items that may be negatively impacting the HAMP net present value (NPV) analysis:</p> <ul style="list-style-type: none">• insufficient income: unemployment or underemployment• insufficient equity• delinquent mortgage payments including escrows• escrow shortage payments• payment of non-escrowed taxes or insurances• satisfaction of delinquent condo or planned unit development (PUD) homeowners association dues and special assessments• satisfaction of subordinate liens, superior real estate tax liens or other liens related to the property <p>This assistance is only available after the lender/servicer has exhausted all steps required under the HAMP waterfall process and has not been able to achieve a modification.</p>
2. Program Goals	<p>To help Rhode Island homeowners who cannot qualify for a HAMP modification because they do not have sufficient resources to achieve HAMP requirements.</p>
3. Target Population/Areas	<p>An analysis of all Rhode Island cities and towns reveals that the twelve communities with the highest rates of mortgage delinquencies and foreclosures are also among the communities with the highest unemployment rates. Using a combination of the number of delinquencies and the number of unemployed, it is estimated that 70% of all Hardest-Hit funds will be spent in these twelve communities. Thirty-one of the thirty-nine communities in Rhode Island experienced an unemployment rate of 12% or higher in January of 2010, representing 85.45% of the state's population. Therefore, we anticipate that 85% of all Hardest-Hit funding will be targeted to communities with unemployment rates of greater than 12%.</p> <p>In addition to targeted populations/areas, up to \$30,000 in total</p>

	assistance may be available through the TIHA program for targeted homeowners who are at risk of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	\$6,900,000
5. Borrower Eligibility Criteria	<p>Eligible borrowers must have monthly mortgage payments that are greater than 31 percent of their gross monthly income and must be able to document hardship circumstances that have occurred subsequent to the making of the loan and places the borrower at risk of foreclosure. Borrower will be required to complete a Hardship Affidavit. A hardship is defined as an uncontrollable increase in housing expense or an uncontrollable decrease in income that places the homeowner at risk of foreclosure. Examples of a hardship include: underemployment, reduction of income, unemployment, death or disability in family, unforeseen medical expense, and costly home repairs necessary for habitability. A loss of home value does not, unto itself, constitute a financial hardship, but may be considered to be a contributing factor in the evaluation of the request for assistance. Final HHF assistance must result in debt-to-income ratios not greater than 31% housing debt-to-income ratio and 60% total debt-to-income ratio.</p> <p>Assistance is available to homeowners who have a documented hardship. Unemployment will be verified in one of two ways: by obtaining a copy of the homeowner's unemployment benefit rate decision letter and copies of 3 months bank statements to verify the unemployment direct deposit, or by online, automated verification through the Rhode Island Department of Employment and Training.</p> <p>Rhode Island's Mortgage Revenue Bond income limits apply to all assistance programs. These eligibility limits are based on current income and family size. They are generally up to 140% of area median income. Currently, one or two person households can earn up to \$87,800. Households of three or more can earn up to \$102,400.</p> <p>Borrower is able to satisfy program guidelines.</p>
6. Property/Loan Eligibility Criteria	<p>Assistance will be provided to owner-occupied one-to four-family Rhode Island properties and condominiums provided the original mortgage was not greater than \$729,750.</p> <p>Borrower's lender must agree in writing to mediation with a HUD-approved counseling agency if after receipt of HHF assistance the</p>

	borrower subsequently becomes more than 60 days delinquent and is at risk of foreclosure within the five-year modification period.
7. Program Exclusions	<p>Homeowner owns other real property.</p> <p>Homeowners may not have cash reserves, non-retirement liquid assets, exceeding 3 months of principal, interest, taxes and insurance.</p>
8. Structure of Assistance	Funds will be provided in the form of a zero-percent interest, non-recourse, non-amortizing loan secured by the property and forgivable at 20% per year over 5 years, if the homeowner fulfills his or her obligations on a timely basis under the assistance agreement. Borrowers who refinance, transfer title or sell the property within the five-year period must repay the loan on a pro-rata basis provided there is sufficient equity from such refinance, title transfer or sale. Recycled funds will be returned to the HHF Program for additional use through December 31, 2017. After December 31, 2017 all repayments will be returned to Treasury.
9. Per Household Assistance	LMA-HAMP program will provide up to \$6,000 in assistance. Additional aid may be available to targeted homeowners under Temporary and Immediate Homeowner Assistance (TIHA).
10. Duration of Assistance	The duration of the assistance is determined by the individual need of each eligible borrower. Assistance will be paid directly to the existing servicer and may be distributed in a lump sum or on a monthly basis until the maximum program amount is reached.
11. Estimated Number of Participating Households	Up to 1,150 households will be served.
12. Program Inception/ Duration	30 - 45 days from Treasury approval to December 31, 2012.
13. Program Interactions with Other HFA Programs	<p>In addition to the \$6,000 permitted under this program, an additional \$2,500 may be available under the Temporary and Immediate Homeowner Assistance (TIHA) program for special circumstances, such as where the borrower has insufficient funds to provide the match.</p> <p>Also, in special circumstances, TIHA may provide up to \$30,000 aid to targeted homeowners who are at risk of foreclosure.</p>
14. Program Interactions with HAMP	Funds will only be provided under this program to allow the homeowner to qualify for a HAMP modification provided that: (i) the Lender can document that it has made contributions having a value of at least an equal amount (one-for-one match), (ii) the borrower contributes at least 20% of the advanced amount, (if borrowers' cash reserves, excluding retirement assets, are insufficient to contribute to the 20% match, borrower can access

	<p>these funds through our Temporary and Immediate Homeowner Assistance program) and (iii) a HAMP modification agreement is signed by the borrower and lender. The lender contribution may be in the form of an interest rate reduction, extension of the mortgage term or principal forbearance or forgiveness. The timing of the lender contribution will be at closing of the modification. Forgiveness or forbearance of late fees or costs of collection will not be counted toward the match.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>This program is designed to act as a gateway to HAMP.</p>

SERVICE SCHEDULE B-2

Rhode Island Housing's

Loan Modification Assistance for Non-HAMP Customers (LMA-Non-HAMP)

Summary Guidelines

1. Program Overview	<p>The Loan Modification Assistance for Non-HAMP Customers (LMA-Non-HAMP) will provide up to \$6,000 in assistance to allow homeowners to qualify for a modification.</p> <p>Many local and regional lenders do not participate in the HAMP program. Many of their customers are also struggling to meet mortgage payments.</p> <p>LMA-Non-HAMP will provide up to \$6,000 to assist the borrower and lender to achieve a loan modification.</p> <p>Funding can be used to address:</p> <ul style="list-style-type: none">• insufficient income: unemployment or underemployment• insufficient equity• delinquent mortgage payments including escrows• escrow shortage payments• payment of non-escrowed taxes or insurances• satisfaction of delinquent condo or planned unit development (PUD) homeowners association dues and special assessments• satisfaction of subordinate liens, superior real estate tax liens or other liens related to the property
2. Program Goals	<p>This program is designed to help stabilize Rhode Island homeowners who have mortgages with lender/servicers not participating in the HAMP program. This assistance will temporarily adjust a homeowner's payment to an affordable level for a minimum 12 month period.</p>
3. Target Population/Areas	<p>An analysis of all Rhode Island cities and towns reveals that the twelve communities with the highest rates of mortgage delinquencies and foreclosures are also among the communities with the highest unemployment rates. Using a combination of the number of delinquencies and the number of unemployed, it is estimated that 70% of all Hardest-Hit funds will be spent in these twelve communities. Thirty one of the thirty nine communities in Rhode Island experienced an unemployment rate of 12% or higher in January of 2010, representing 85.45% of the state's population. Therefore, we anticipate that 85% of all Hardest-Hit funding will be targeted to communities with unemployment rates of greater than 12%.</p> <p>In addition to targeted populations/areas, up to \$30,000 in total</p>

	assistance may be available through the TIHA program for targeted homeowners who are at risk of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	\$9,000,000
5. Borrower Eligibility Criteria	<p>Eligible borrower with current gross annual income over \$35,000 must have a monthly mortgage payment that is greater than 35% of their gross monthly income and must be able to document hardship circumstances that have occurred subsequent to the making of the loan and places the borrower at risk of foreclosure. Final HHF assistance must result in debt-to-income ratios not greater than 35% housing debt-to-income ratio and 60% total debt-to-income ratio.</p> <p>If borrower current gross annual income is \$35,000 or less, they must have a monthly mortgage payment that is greater than 31% of their gross monthly income and must be able to document a hardship that has subsequently placed them at risk of foreclosure. Final HHF assistance must result in debt-to-income ratios not greater than 31% housing debt-to-income ratio and 60% total debt-to-income ratio.</p> <p>Unemployment will be verified in one of two ways: by obtaining a copy of the homeowner's unemployment benefit rate decision letter and copies of 3 months bank statements to verify the unemployment direct deposit, or by online, automated verification through the Rhode Island Department of Employment and Training.</p> <p>Borrower will be required to complete a Hardship Affidavit. A hardship is defined as an uncontrollable increase in housing expense or an uncontrollable decrease in income that places the homeowner at risk of foreclosure. Examples of a hardship include: underemployment, reduction of income, unemployment, death or disability in family, unforeseen medical expense, and costly home repairs necessary for habitability. A loss of home value does not, in itself, constitute a financial hardship, but may be considered to be a contributing factor in the evaluation of the request for assistance.</p> <p>Assistance is available to homeowners who have exhausted all options in meeting their mortgage obligation.</p> <p>Rhode Island's Mortgage Revenue Bond income limits apply to all assistance programs. These eligibility limits are based on current income and family size. They are generally up to 140% of area median income. Currently, one or two person households can earn up to \$87,800. Households of three or more can earn up to \$102,400.</p>

	Borrower is able to satisfy program guidelines.
6. Property/Loan Eligibility Criteria	<p>Assistance will be provided to owner-occupied one-to four-family Rhode Island properties and condominiums provided the original mortgage was not greater than \$729,750.</p> <p>Borrower's lender must agree in writing to mediation with a HUD-approved counseling agency if after receipt of HHF assistance the borrower subsequently becomes more than 60 days delinquent and is at risk of foreclosure within the stabilization period.</p>
7. Program Exclusions	<p>Homeowner owns other real property</p> <p>Homeowners may not have cash reserves or non-retirement liquid assets exceeding 3 months of principal, interest, taxes and insurance.</p> <p>Not available to HAMP lender/servicers</p>
8. Structure of Assistance	Funds will be provided in the form of a zero-percent interest, non-recourse, non-amortizing loan secured by the property and forgivable at 20% per year over 5 years, if the homeowner fulfills his or her obligations on a timely basis under the assistance agreement. Borrowers who refinance, transfer title or sell the property within the five-year period must repay the loan on a pro-rata basis provided there is sufficient equity from such refinance, title transfer or sale. Recycled funds will be returned to the HHF Program for additional use through December 31, 2017. After December 31, 2017 all repayments will be returned to Treasury.
9. Per Household Assistance	LMA-Non-HAMP will provide up to \$6,000 to assist the borrower and lender to achieve a loan modification. Additional aid may be available to targeted homeowners under Temporary and Immediate Homeowner Assistance (TIHA).
10. Duration of Assistance	The duration of the assistance is determined by the individual need of each eligible borrower. Assistance will be paid directly to the existing servicer and may be distributed in a lump sum or on a monthly basis until the maximum program amount is reached.
11. Estimated Number of Participating Households	Up to 1,500 households will be served
12. Program Inception/Duration	30 – 45 days from Treasury approval to 24 months
13. Program Interactions with Other HFA Programs	In addition to the \$6,000 permitted under this program, an additional \$2,500 may be available under the Temporary and Immediate Homeowner Assistance (TIHA) program for special circumstances, such as where the borrower has insufficient funds to provide the match, where there may be a third-party creditor, or when an escrow

	<p>shortfall needs addressing.</p> <p>Also, in special circumstances, TIHA may provide up to \$30,000 aid to targeted homeowners who are at risk of foreclosure.</p>
14. Program Interactions with HAMP	None
15. Program Leverage with Other Financial Resources	<p>This program is designed for homeowners that have mortgages with local and regional lender/servicers who do not participate in HAMP. As a condition of participating in this program, lenders must agree to assume the full cost of modifying the loan, for a minimum of 12 months, to a payment amount that is 38% of the borrower's income ("debt-to-income ratio" or "DTI") based on the borrower's income at the time when the loan was originally made. Assistance under this program will be made to the lenders to further modify the loan to reduce the payment to a level that is 35% or 31% housing debt to income ratio based on the borrower's current income. The lender will match HHF funds on a one-for-one basis to fund these additional reductions, subject to a \$6,000 cap of HHF assistance. The lender contribution may be in the form of an interest rate reduction, extension of the mortgage term or principal forbearance or forgiveness. Forgiveness or forbearance of late fees or costs of collection will not count toward the match. The timing of the lender contribution will be at closing of the modification. The lender must agree in writing to mediation with a HUD-approved counseling agency if the borrower becomes more than 60 days delinquent and is at risk of foreclosure during the subsequent 24 month period before it can proceed to foreclosure.</p> <p>Lenders participating in this program who demonstrate local servicing capability may access the program directly.</p>

SERVICE SCHEDULE B-3

Rhode Island Housing's

Temporary and Immediate Homeowner Assistance (TIHA)

Summary Guidelines

1. Program Overview	<p>The Temporary and Immediate Homeowner Assistance (TIHA) will provide up to \$6,000 in homeowner retention assistance. Up to \$2,500 of TIHA program funds may be used if a homeowner is receiving assistance through LMA-HAMP or LMA-Non-HAMP.</p> <p>Also, in special circumstances, up to \$30,000 aid may be available to targeted homeowners who are at risk of foreclosure. Targeted homeowners include:</p> <ul style="list-style-type: none">▪ HHF-eligible homeowners age 62 and over who are unable to refinance an unaffordable mortgage and need assistance to meet the lender's minimum refinancing requirements▪ HHF-eligible homeowners who have a deed restricted property and have received federal or state subsidies and are at risk of foreclosure.▪ HHF-eligible multi-family property homeowners who have experienced a loss of rental income that has compromised their ability to afford their mortgage payment▪ HHF-eligible homeowners who have received FEMA or other federal flood assistance and still need assistance due to extensive property damage <p>There are many situations where payments made by or on behalf of the borrower toward the first mortgage are not sufficient to prevent an avoidable foreclosure. These include, but are not limited to, situations where a borrower has had a temporary loss of income or increase in expenses that have created a first mortgage delinquency or another delinquency that has or may result in a default under the first mortgage, which, if not cured, may result in foreclosure. This situation could arise even when the borrower's current income may be sufficient to pay the first mortgage going forward. There are also situations where a borrower cannot provide the matching funds needed under LMA-HAMP or LMA-Non-HAMP, or where the borrower needs temporary supplemental mortgage payment assistance for the borrower and lender to agree on a mortgage modification. This is frequently the result of a temporary interruption in or reduction of employment.</p> <p>As such, these funds can be used by homeowners who may or may</p>
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	<p>not qualify for permanent modifications. Funding can be used to address:</p> <ul style="list-style-type: none"> • insufficient income: unemployment or underemployment • insufficient equity • delinquent mortgage payments including escrows • escrow shortage payments • payment of non-escrowed taxes or insurances • satisfaction of delinquent condo or planned unit development (PUD) homeowners association dues and special assessments • satisfaction of subordinate liens, superior real estate tax liens or other liens related to the property
2. Program Goals	To help a homeowner avoid foreclosure when faced with temporary or immediate crisis.
3. Target Population/Areas	<p>An analysis of all Rhode Island cities and towns reveals that the twelve communities with the highest rates of mortgage delinquencies and foreclosures are also among the communities with the highest unemployment rates. Using a combination of the number of delinquencies and the number of unemployed, it is estimated that 70% of all Hardest-Hit funds will be spent in these twelve communities. Thirty-one of the thirty-nine communities in Rhode Island experienced an unemployment rate of 12% or higher in January of 2010, representing 85.45% of the state's population. Therefore, we anticipate that 85% of all Hardest-Hit funding will be targeted to communities with unemployment rates of greater than 12%.</p> <p>In addition to targeted populations/areas, up to \$30,000 in total assistance may be available for targeted homeowners who are at risk of foreclosure.</p>
4. Program Allocation (Excluding Administrative Expenses)	\$16,500,000
5. Borrower Eligibility Criteria	<p>Eligible borrowers must have monthly mortgage payments that are greater than 31% of their gross monthly income or 35% if participating in LMA-Non-HAMP and their income is greater than \$35,000, and must be able to document a hardship that has subsequently placed them at risk of foreclosure.</p> <p>Borrower must contribute, at a minimum, at least 31% of their gross monthly income or 35% if participating in LMA-Non-HAMP and their income is greater than \$35,000.</p> <p>With this assistance, the borrowers overall debt-to-income ratio cannot exceed 60%.</p>

	<p>Unemployment will be verified in one of two ways: by obtaining a copy of the homeowner's unemployment benefit rate decision letter and copies of 3 months bank statements to verify the unemployment direct deposit, or by online, automated verification through the Rhode Island Department of Employment and Training.</p> <p>Borrower must be able to document the reason for the hardship and will be required to complete a Hardship Affidavit. A hardship is defined as an uncontrollable increase in housing expense or an uncontrollable decrease in income that has placed the homeowner at risk of foreclosure. Additionally, the homeowners combined income loss or expense increase under the TIHA program must be greater than the indicated percentage of income at the time the loan was made according to the following schedule:</p> <table border="0"> <thead> <tr> <th style="text-align: left;">Income Level</th> <th style="text-align: left;">Combined minimum income loss or cost increase</th> </tr> </thead> <tbody> <tr> <td>less than \$35,000</td> <td>up to 5%</td> </tr> <tr> <td>\$35,001 to \$50,000</td> <td>5%</td> </tr> <tr> <td>\$50,001 to \$65,000</td> <td>10%</td> </tr> <tr> <td>\$65,001 to \$80,000</td> <td>15%</td> </tr> <tr> <td>above \$80,000</td> <td>20%</td> </tr> </tbody> </table> <p>Examples of a hardship include: Underemployment, reduction of income, unemployment, death or disability in family, unforeseen medical expense, and costly home repairs necessary for habitability. A loss of home value does not, unto itself, constitute a financial hardship, but may be considered to be a contributing factor in the evaluation of the request for assistance.</p> <p>Assistance is available to homeowners who have exhausted all options in meeting their mortgage obligation.</p> <p>Rhode Island's Mortgage Revenue Bond income limits apply to all assistance programs. These eligibility limits are based on current income and family size. They are generally up to 140% of area median income. Currently, one or two person households can earn up to \$87,800. Households of three or more can earn up to \$102,400.</p> <p>Borrower is able to satisfy program guidelines.</p>	Income Level	Combined minimum income loss or cost increase	less than \$35,000	up to 5%	\$35,001 to \$50,000	5%	\$50,001 to \$65,000	10%	\$65,001 to \$80,000	15%	above \$80,000	20%
Income Level	Combined minimum income loss or cost increase												
less than \$35,000	up to 5%												
\$35,001 to \$50,000	5%												
\$50,001 to \$65,000	10%												
\$65,001 to \$80,000	15%												
above \$80,000	20%												
<p>6. Property/Loan Eligibility Criteria</p>	<p>Assistance will be provided to owner-occupied one-to four-family Rhode Island properties and condominiums provided the original mortgage was not greater than \$729,750.</p>												
<p>7. Program Exclusions</p>	<p>Homeowner owns other real property.</p> <p>Homeowners may not have cash reserves, non-retirement liquid assets, exceeding 3 months of principal, interest, taxes and</p>												

	insurance.
8. Structure of Assistance	Funds will be provided in the form of a zero-percent interest, non-recourse, non-amortizing loan secured by the property and forgivable at 20% per year over 5 years, if the homeowner fulfills his or her obligations on a timely basis under the assistance agreement. Borrowers who refinance, transfer title or sell the property within the five-year period must repay the loan on a pro-rata basis provided there is sufficient equity from such refinance, title transfer or sale. Recycled funds will be returned to the HHF Program for additional use through December 31, 2017. After December 31, 2017 all repayments will be returned to Treasury.
9. Per Household Assistance	The amount of assistance under TIHA is \$6,000 per household, but is limited to \$2,500 when the maximum assistance has been provided under LMA-HAMP or LMA Non-HAMP. Up to \$30,000 in assistance may be available for targeted homeowners who are at risk of foreclosure.
10. Duration of Assistance	The duration of the assistance is determined by the individual need of each eligible borrower. Assistance will be paid directly to the existing servicer and may be distributed in a lump sum or on a monthly basis until the maximum program amount is reached.
11. Estimated Number of Participating Households	Up to 1,800 households will be served
12. Program Inception/Duration	30 – 45 days from Treasury approval to 24 months
13. Program Interactions with Other HFA Programs	Up to \$2,500 of TIHA program funds may be used if a homeowner is receiving assistance through LMA-HAMP or LMA-Non-HAMP. The combined assistance permitted under these programs is \$8,500 per household and may be made on a lump sum or monthly basis.
14. Program Interactions with HAMP	This program complements HAMP by providing additional resources to reverse a negative HAMP decision. It also complements the Unemployment Program by providing payment assistance to unemployed homeowners.
15. Program Leverage with Other Financial Resources	Leverage with LMA-HAMP and LMA-Non-HAMP

SERVICE SCHEDULE B-4

Rhode Island Housing's

Moving Forward Assistance

Summary Guidelines

1. Program Overview	<p>The Moving Forward Assistance Program (MFA) will provide eligible homeowners with up to \$4,000 of assistance when it is determined that they can no longer afford to stay in their home.</p> <p>Additionally in special circumstances, up to \$30,000 aid may be available through the TIHA program to facilitate a short sale or deed in lieu of foreclosure for homeowners of targeted affordable properties that are at risk of foreclosure.</p> <p>Targeted homeowners are: HHF eligible homeowners who have a deed restricted property and have received federal or state subsidies and are at risk of foreclosure.</p> <p>In some circumstances the best outcome for borrower, lender and community may be for the borrower to relinquish the property in an orderly process. MFA assistance can take the form of a contribution to the primary or secondary lender to help facilitate a short sale or deed in lieu of foreclosure. It could also be used to provide the borrower relocation assistance including a security deposit/first and last months rent, moving expenses, or utility deposit MFA assistance could be used to satisfy subordinate or superior real estate tax liens against the real estate that prevent the homeowner from transferring clear title. These liens may include judgments, mechanics liens, defects, inheritance taxes, water fees, fire district or sewer fees, condo fees, PUD lien sale or other legal encumbrances on the property or to satisfy judgments or loan deficiency balances resulting from a short sale.</p> <p>Funds will be provided directly to the ultimate recipient (i.e. lender, apartment owner), not through the borrower.</p>
2. Program Goals	<p>Rhode Island Housing envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to borrowers who have suffered a financial hardship and as a result are no longer financially able to stay in their home.</p>

<p>3. Target Population/Areas</p>	<p>An analysis of all Rhode Island cities and towns reveals that the twelve communities with the highest rates of mortgage delinquencies and foreclosures are also among the communities with the highest unemployment rates. Using a combination of the number of delinquencies and the number of unemployed, it is estimated that 70% of all Hardest-Hit funds will be spent in these twelve communities. Thirty one of the thirty nine communities in Rhode Island experienced an unemployment rate of 12% or higher in January of 2010, representing 85.45% of the state's population. Therefore, we anticipate that 85% of all Hardest-Hit funding will be targeted to communities with unemployment rates of greater than 12%.</p> <p>Additionally in special circumstances, up to \$30,000 aid may be available through the TIHA program to homeowners of targeted properties that are at risk of foreclosure.</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$3,500,000</p>
<p>5. Borrower Eligibility Criteria</p>	<p>Borrower must be able to document the reason for the hardship and will be required to complete a Hardship Affidavit. A hardship is defined as an uncontrollable increase in housing expense or an uncontrollable decrease in income that has placed the homeowner at risk of foreclosure. Examples of a hardship include: Underemployment, reduction of income, unemployment, death or disability in family, unforeseen medical expense, and costly home repairs necessary for habitability. A loss of home value does not, unto itself, constitute a financial hardship, but may be considered to be a contributing factor in the evaluation of the request for assistance.</p> <p>Unemployment will be verified in one of two ways: by obtaining a copy of the homeowner's unemployment benefit rate decision letter and copies of 3 months bank statements to verify the unemployment direct deposit, or by online, automated verification through the Rhode Island Department of Employment and Training.</p> <p>Assistance is available to homeowners who have a documented hardship.</p> <p>Rhode Island's Mortgage Revenue Bond income limits apply to all assistance programs. These eligibility limits are based on</p>

	<p>current income and family size. They are generally up to 140% of area median income. Currently, one or two person households can earn up to \$87,800. Households of three or more can earn up to \$102,400.</p> <p>Borrower is able to satisfy program guidelines.</p>
6. Property/Loan Eligibility Criteria	Assistance will be provided to owner-occupied one-to four-family Rhode Island properties and condominiums provided the original mortgage was not greater than \$729,750.
7. Program Exclusions	<p>Homeowner owns other real property.</p> <p>Homeowners accessing these funds may not have cash reserves, non-retirement liquid assets, exceeding \$1,500.</p>
8. Structure of Assistance	None
9. Per Household Assistance	Assistance under this program will be limited up to \$4,000 per family; up to \$1,500 to facilitate a short sale or deed in lieu of foreclosure and up to \$2,500 to assist the homeowner with relocation. Up to \$30,000 aid may be available through the TIHA program to homeowners of targeted properties.
10. Duration of Assistance	Participation in this program is a one-time payment made to directly to the ultimate recipient (i.e. lender, apartment owner).
11. Estimated Number of Participating Households	Approximately 550
12. Program Inception/Duration	30 - 45 days from Treasury approval to 24 months
13. Program Leverage /Interactions with Other HFA Programs	<p>MFA can provide assistance, up to the household cap, if a homeowner has used other HHF programs and subsequently can no longer afford to stay in the home.</p> <p>Additionally in special circumstances, up to \$30,000 aid may be available through the TIHA program to homeowners of targeted properties.</p>
14. Program Interactions with HAMP	MFA can provide assistance, up to the household cap, if a homeowner has obtained a HAMP or other HHF program assistance and subsequently can no longer afford to stay in the home.
15. Program Leverage with Other Financial	Rhode Island Housing intends to leverage its current emergency and rental assistance programs which include, www.homelocatorri.net and other relocation services which

Resources	include Homeless Protection and Rapid Placement (HPRP) and RoadHome Emergency Housing Assistance.
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SCHEDULE C

PERMITTED EXPENSES

Rhode Island	
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$ 103,783
Building, Equipment, Technology	20,370
Professional Services	-
Supplies / Miscellaneous	100
Marketing /Communications	140,000
Travel	-
Website development /Translation	10,000
Contingency	-
Subtotal	\$ 274,253
<i>Operating / Administrative Expenses:</i>	
Salaries	\$ 2,838,028
Professional Services (Legal, Compliance, Audit, Monitoring)	133,399
Travel	-
Buildings, Leases & Equipment	282,545
Information Technology & Communications	105,283
Office Supplies/Postage and Delivery/Subscriptions	23,910
Risk Management/ Insurance	68,582
Training	-
Marketing/PR	150,000
Miscellaneous	-
Subtotal	\$ 3,601,747
<i>Transaction Related Expenses:</i>	
Recording Fees	-
Wire Transfer Fees	\$ 24,000
<i>Counseling Expenses</i>	
File Intake	\$ 1,600,000
Decision Costs	-
Successful File	1,600,000
Key Business Partners On-Going	-
Subtotal	\$ 3,224,000
Grand Total	\$ 7,100,000
% of Total Award	16.51%
Award Amount	\$43,000,000

SCHEDULE E

INDEMNIFICATION

By its execution of the Agreement to which this Schedule E is attached (the "Agreement"), Rhode Island Housing and Mortgage Finance Corporation ("Rhode Island Housing") agrees to and shall indemnify and hold Treasury (including its divisions, offices and bureaus) and its officials, employees and agents, and their respective successors and assigns, harmless against all claims, liabilities, costs, damages, judgments, suits, actions, causes of action, losses and expenses, including reasonable attorneys' fees and costs of suit, relating to, arising out of or resulting from Rhode Island Housing's breach of the Agreement or, except to the extent prohibited by express provision of the Constitution or statutory law of the State of Rhode Island, or violation of law, willful misconduct or negligence relating to any act or omission of Rhode Island Housing or its officers, employees, agents or independent contractors without regard to whether Rhode Island Housing is acting in its capacity as HFA, as Eligible Entity or otherwise. Rhode Island Housing shall not settle any suit or claim regarding any of the foregoing without Treasury's prior written consent if such settlement would be adverse to Treasury's interests. Rhode Island Housing agrees to pay or reimburse all costs that may be incurred by Treasury in enforcing this provision.