

SERVICE SCHEDULE B-1

**Mississippi Home Corporation
Home Saver Program
Summary Guidelines**

<p>1. Program Overview</p>	<p><u>Mortgage Assistance Option.</u> Mississippi Home Corporation (MHC) will offer its Home Saver Program (HSP) to borrowers that are unemployed or substantially underemployed, or that have experienced a death or divorce of a spouse that resulted in at least a 15% reduction in income. MHC will pay 100% of the monthly mortgage payment for up to twenty-four (24) months.</p> <p>Borrowers that choose Mortgage Assistance Option are eligible for up to a total of \$50,000 of arrearage assistance which must cover a minimum of twelve (12) months of mortgage payments or as specified in the HSP guidelines. A cap of \$50,000 is the maximum amount permitted for the Mortgage Assistance Option.</p> <p><u>Reinstatement Option.</u> Homeowners who have fallen behind on their mortgage and need help catching up, but who have recovered and can now sustain the mortgage can receive up to \$50,000, which can be applied toward delinquent first mortgage payments, delinquent property taxes and any accrued escrow shortages.</p> <p>Unemployed, Underemployed and Self-employed borrowers will enter the HSP through the intake process of the housing counseling agencies. MHC will not limit the monthly mortgage payment amount per month, but will limit the total HSP assistance to \$50,000.</p> <p>Borrowers experiencing a death or divorce of a spouse that resulted in at least a 15% reduction in income will enter the HSP through the intake process of the housing counseling agencies. MHC will not limit the monthly mortgage payment amount per month, but will limit the total HSP assistance to \$50,000. The borrowers will not make any payments.</p>
<p>2. Program Goals</p>	<p>The goal of the HSP is to provide borrowers the time necessary to improve their chances of finding a job that pays them enough to cover their monthly mortgage payments.</p>

<p>3. Target Population / Areas</p>	<p>The HSP will allow borrowers in distressed counties, those with unemployment rates above 11.4% (Mississippi’s June 2010 average unemployment rate) to receive up to 6 additional months of monthly mortgage payment assistance. Distressed counties account for 79%, or 65 of Mississippi’s 82 counties.</p>
<p>4. Program Funds (Excluding Administrative Expenses)</p>	<p>Not applicable. Program Funds may be disbursed under any program included in Schedule B.</p>
<p>5. Borrower Eligibility Criteria</p>	<ul style="list-style-type: none"> • The borrower must have a monthly mortgage payment that they cannot afford due to unemployment or a reduction in income due to underemployment that can be documented, as specified in the HSP guidelines. All borrowers are required to submit a hardship affidavit documenting inability to pay their mortgage. • Job loss, death, or divorce of a spouse that resulted in at least a 15% reduction in income had to occur on or after January 1, 2008. • Mortgage must have been made prior to hardship for borrowers applying for HSP funds except if borrower is seeking to use HAMP UP program, where mortgage must have been closed prior to January 1, 2009. • The unemployed borrower must be eligible to receive or have exhausted unemployment compensation from the Mississippi Department of Employment Security (MDES) or the unemployment insurance fund in another state. • Self-employed borrowers must be eligible to receive or have exhausted unemployment compensation from MDES, or be able to document loss of income, as specified in the HSP guidelines. • Borrowers experiencing a death or divorce of a spouse that resulted in at least a 15% reduction in income must provide a legally recognized death certificate or divorce decree. • The borrower must be a resident of the State of Mississippi.
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • The property must be located in the State of Mississippi.

	<ul style="list-style-type: none"> • The property must be occupied as the borrower’s primary residence. • The property must be a single-family, one- to five-unit dwelling, condominium or townhome, must be classified as real estate and affixed on a permanent foundation if a manufactured or mobile home. • Mortgage must have been made prior to hardship for borrowers applying for HSP funds except if borrower is seeking to use HAMP UP program, where mortgage must have been closed prior to January 1, 2009. • The unpaid principal balance of first mortgage must not be greater than \$271,000. • Members of the U.S. Armed Forces who have experienced any drop in income due to deployment.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Although a borrower with a second mortgage may be eligible for HSP, HSP payments will only be made towards the first mortgage. • Borrowers in active bankruptcy. • Seasonal workers. • Servicers that are not a state- or federally-regulated financial institution. (effective with applications after 8/09/2011).
<p>8. Structure of Assistance</p>	<p>The HSP will be made available as assistance in the form of a five-year, 0% interest, non-recourse, non-amortizing, subordinate loan, secured by a junior lien recorded against the property, where 20% of the principal will be forgiven each year so long as the eligible borrowers continue to occupy the house as their primary residence and meet all terms and conditions of the loan. This loan will only be repayable if the borrower sells the property before the period expires and there is sufficient equity to pay the loan. All funds returned to the HSP will be returned to the program in accordance with the Agreement.</p>
<p>9. Per Household Assistance</p>	<p>The estimated median amount that the typical borrower will receive is \$33,989.64. The maximum amount of assistance that a borrower can receive from the HSP is \$50,000.</p>

<p>10. Duration of Assistance</p>	<p>In non-distressed counties, borrowers can receive: 1) a one-time payment for arrearage accumulated during the period of unemployment or substantial underemployment, not to exceed the maximum assistance the borrower is eligible for; and 2) up to twenty-four (24) months of monthly mortgage payment assistance. In distressed counties, borrowers can receive: 1) a one-time payment of arrearage accumulated during the period of unemployment or substantial underemployment, not to exceed the maximum assistance the borrower is eligible for; 2) up to twenty-four (24) months of monthly mortgage payment assistance; and; 3) up to six (6) additional months for extended job search.</p> <p>Assistance will end when: 1) the HSP term ends; 2) the eligible borrower becomes able to resume payments; 3) the eligible borrower sells or abandons the property; 4) the eligible borrower exhausts the \$50,000 maximum assistance amount before the term ends, or; 5) an unanticipated event occurs deeming the eligible borrower or the property ineligible to receive assistance, i.e., death or fire.</p>
<p>11. Estimated Number of Participating Households</p>	<p>The HSP will assist approximately 5,000 borrowers.</p>
<p>12. Program Inception / Duration</p>	<p>MHC will launch a pilot program within thirty (30) days after approval from the Treasury, and the full program within one hundred twenty (120) days after approval. The HSP will be available to offer assistance through December 31, 2020 or until funds are exhausted.</p>
<p>13. Program Interactions with Other Programs (e.g. other HFA programs)</p>	<p>MHC expects that some borrowers will come out of the National Foreclosure Mitigation Counseling program, which program is not funded with HHF funds.</p>
<p>14. Program Interactions with HAMP</p>	<p>Borrowers will still be eligible for HSP funds if eligible under HAMP UP. HSP assistance will be available to borrowers preceding or following UP assistance.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>MHC will not solicit matching funds for the HSP due to the short time frame required to submit the HHF application.</p>

SERVICE SCHEDULE B-2

Mississippi Home Corporation

Blight Elimination Program

Summary Guidelines

1. Program Overview	Under Mississippi’s Hardest Hit Fund Blight Elimination Program (“BEP”), the Mississippi Home Corporation (“MHC”) will work with municipalities and county governments (together, “Applicants”) and non-profit organizations, community development corporations, economic development entities, including Planning and Development Districts, land banks and for-profit entities (collectively, “Program Partners”) to strategically target residential properties for demolition and greening within the state to remove blighted properties. Applicants must have the capacity, knowledge, and demonstrated experience in managing blight elimination to be able to apply. Applicants must have a contract with a Program Partner that is owner of record of the property in order to be eligible for BEP funds.
2. Program Goals	The goal of BEP is to reduce foreclosures among neighboring properties, and strengthen neighborhood property values. MHC will work with Applicants and Program Partners to identify meaningful indicators to track and quantify the BEP’s impact in the designated communities.
3. Target Population / Areas	BEP activity will be limited to targeted areas approved by MHC that are part of a comprehensive local strategy to stabilize home values and prevent foreclosures. MHC program guidelines will ensure that demolition and greening/improvement is designed to increase values of neighboring properties and have a positive effect on preserving existing neighborhoods.
4. Program Funds (Excluding Administrative Expenses)	Not applicable. Program Funds may be disbursed under any program included in Schedule B.

<p>5. Property Eligibility Criteria</p>	<ul style="list-style-type: none"> • Property must be owned by the Program Partner. Property owned by the State of Mississippi (i.e., held by the Mississippi Secretary of State) must be transferred to the Program Partner prior to demolition taking place and otherwise meet all requirements of the BEP. • Applicant must obtain a declaration from a unit of local government that the property is condemned, substandard, uninhabitable, and/or a nuisance to public health and safety based on state law and existing local codes and ordinances. • Property must be residential in nature. • Property must contain four units or less. • Property must not be legally occupied at the time of any review or approval by MHC for blight elimination activity. • A minimum 36-month maintenance plan must exist for each property after demolition.
<p>6. Ownership / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Title to the property must be held by the Program Partner such that an enforceable lien can be granted on the property. • Property must be subject to a loan that can be modified or extinguished.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Property is listed on a local, state or national historic register. • Property is a residential structure with more than four units. • Property is a commercial or industrial building or contains mixed use structures, i.e. structures combining commercial and residential space.
<p>8. Structure of Assistance</p>	<p>MHC will determine the acceptability of eligible properties as described herein and otherwise set forth in the program guidelines.</p> <p>Applicant will be responsible for acquisition of the property (if applicable), demolition work, greening/site improvement and on-going property maintenance.</p>

	<p>The Applicant will submit an application to MHC containing the location of the property, neighborhood conditions, estimated cost of structure removal, estimated cost of greening (if applicable), and the end use of the subject property.</p> <p>Required documentation must be submitted by the Applicant to MHC for review and approval in MHC’s sole discretion pursuant to the program guidelines.</p> <p>Upon completion of blight elimination activity on the property and approval by MHC, MHC will provide HHF funds to the owner of the property, after the execution of a promissory note in favor of MHC. Total assistance will be provided for documented expenses associated with acquiring, demolishing, greening the property and ongoing maintenance for 36 months.</p> <p>Funds will be provided as a non-amortizing loan secured by a mortgage in favor of MHC for an amount not to exceed \$15,000, with a 0 % interest rate, as long as MHC’s requirements are met. Loans will mature three years after their origination date (the “Expiration Date”).</p> <p>Prior to the Expiration Date, loans will be forgiven at a rate of 33.33% per annum as long as terms of the BEP are met. The unforgiven balance of the loan will be due and payable if the property is sold, its title transferred or it is used for an unauthorized purpose prior to the Expiration Date, provided there are net proceeds. The payoff amount, if any, will be provided at the time of sale, transfer or unauthorized use. Demand notes, loan modification agreements, mortgages and any other documentation required by the terms of the BEP must be executed by the Applicant and/or Program Partner, as applicable.</p> <p>Any funds returned according to established program guidelines will be recaptured and used in the program in accordance with the Agreement.</p>
<p>9. Per Property Assistance</p>	<p>Maximum amount of \$15,000 per property. Any amount over the maximum must be paid by the Applicant. MHC expects many demolitions to cost less than this maximum amount.</p>
<p>10. Duration of Assistance</p>	<p>One-time payment for reimbursement of eligible costs.</p>

11. Estimated Number of Participating Households	MHC anticipates that approximately 2,000 homes can be demolished statewide at an average cost of \$10,000.
12. Program Inception / Duration	MHC will launch the program within ninety (90) days after approval from the Treasury. The BEP will be available to offer assistance through December 31, 2020 or until funds are exhausted.
13. Program Interactions with Other Programs (e.g. other HFA programs)	None.
14. Program Interactions with HAMP	None.
15. Program Leverage with Other Financial Resources	None.

SCHEDULE C

Permitted Administrative Expenses

	Mississippi
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$15,000.00
Building, Equipment, Technology	\$0.00
Professional Services	\$20,500.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$9,973.00
Travel	\$0.00
Website development /Translation	\$50,000.00
Contingency	\$50,017.00
Subtotal	\$145,490.00
<i>Operating / Administrative Expenses:</i>	
	\$8,033,000.00
Salaries	\$8,033,000.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$2,970,000.00
	\$55,000.00
Travel	\$55,000.00
	\$62,000.00
Buildings, Leases & Equipment	\$62,000.00
Information Technology & Communications	\$1,390,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$57,000.00
Risk Management/ Insurance	\$0.00
	\$15,000.00
Training	\$15,000.00
	\$760,000.00
Marketing/PR	\$760,000.00
	\$515,000.00
Miscellaneous	\$515,000.00
Subtotal	\$13,857,000.00

<i>Transaction Related Expenses:</i>	
Recording Fees	\$400,000.00
Wire Transfer Fees	
<i>Counseling Expenses</i>	
File Intake	\$835,000.00
Decision Costs	\$900,000.00
Successful File	\$800,000.00
Key Business Partners On-Going	\$3,676,000.00
Subtotal	\$6,611,000.00
Grand Total	\$20,613,490.00
% of Total Award	14.27%
Award Amount	\$144,416,985.00