

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

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

Recitals

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

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

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

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

Agreement

1. Amendments

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

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

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

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

2. **Representations, Warranties and Covenants**

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

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

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

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

3. **Miscellaneous**

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

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

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

prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

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

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

In Witness Whereof, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Amendment as of the Amendment Date.

HFA:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: /s/ Todd A. Lee
Name: Todd A. Lee
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: /s/ Todd A. Lee
Name: Todd A. Lee
Title: Executive Director

EXHIBITS AND SCHEDULES

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

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: District of Columbia Housing Finance Agency¹

Corporate or other organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Jurisdiction of organization: District of Columbia

Notice Information:

HFA Information:

Name of HFA: District of Columbia Housing Finance Agency

Organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Date of Application: September 1, 2010

Date of Action Plan: September 1, 2010

Notice Information: Same as Notice Information for Eligible Entity

Program Participation Cap: \$28,745,131.00

Portion of Program Participation Cap
Representing Original HHF Funds: N/A

Portion of Program Participation Cap
Representing Unemployment HHF Funds: \$ 7,726,678.00

Rounds 1-4 Funding Allocation: \$ 20,697,198.00

¹ References in the Agreement to the term "HFA" shall mean the District of Columbia Housing Finance Agency ("DCHFA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean DCHFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Round 5 Funding Allocation:</u>	\$ 8,047,933.00
<u>Permitted Expenses:</u>	\$ 5,768,108.00
<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	March 31, 2011
<u>Fourth Amendment Date:</u>	May 25, 2011
<u>Fifth Amendment Date:</u>	October 28, 2011
<u>Sixth Amendment Date:</u>	March 29, 2012
<u>Seventh Amendment Date:</u>	December 14, 2012
<u>Eighth Amendment Date:</u>	September 20, 2013
<u>Ninth Amendment Date:</u>	July 11, 2014
<u>Tenth Amendment Date:</u>	May 21, 2015
<u>Eleventh Amendment Date:</u>	June 1, 2016
<u>Twelfth Amendment Date:</u>	November 1, 2016
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

SCHEDULE B

SERVICE SCHEDULES

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

SERVICE SCHEDULE B-1

**District of Columbia Housing Finance Agency
HOMESAVER PROGRAM
Summary Guidelines**

1. Program Overview	<p>The HomeSaver Program will offer lump sum assistance and/or ongoing monthly mortgage payments to eligible District of Columbia (“District”) homeowners at risk of foreclosure. The HomeSaver Program is made up of two components:</p> <ul style="list-style-type: none">• The Unemployment and Underemployment Assistance component will provide assistance to unemployed and underemployed homeowners through a one-time payment of up to nine (9) months of mortgage and/or condo fee delinquency in order to bring the mortgage current. This component will provide up to twenty four (24) months of mortgage and/or condo fee payments going forward in order to keep the homeowner current.• The Restore Assistance component will be available for homeowners who have suffered a financial hardship and who need a lump-sum payment to catch up on arrears, but who have sufficient resources to continue making their regular payments going forward. Restore assistance may cover any property-related payments necessary to cure a default and prevent a foreclosure, including but not limited to mortgage payments, property taxes, hazard insurance, late fees, condo fees, homeowners association fees, and legal fees. For applicants whose delinquency involved an inability to pay property tax charges, non-escrowed property taxes, such as in the case of a reverse mortgage, may be pre-paid through the remainder of the fiscal year at settlement. <p>Applicants will be referred to the HomeSaver Program after completion of an intake package. Intake packages will be reviewed by a U.S. Department of Housing and Urban Development (“HUD”) approved housing counseling agency and then forwarded to the HomeSaver Program for approval.</p>
2. Program Goals	<p>Foreclosure prevention – The primary goal of the HomeSaver Program is to prevent foreclosures that will erode the base of homeowners in the District, which already lags behind the national average in the rate of homeownership. Additionally, each applicant will work with a HUD approved housing counseling agency.</p>

	<p>Synergistic interaction – The DCHFA will partner with other organizations (i.e. DOES and the Urban Institute) to define the universe of potential candidates for the HomeSaver Program, perform outreach and intake and ultimately deliver timely assistance to prevent foreclosure. DOES is the District agency that administers the District’s Unemployment Insurance and job training programs. The Urban Institute (the “Institute”) has conducted extensive research into housing issues in the District, including mortgage delinquencies and foreclosures. The Institute gathers data, conducts research, evaluates programs, offers technical assistance overseas, and educates Americans on social and economic issues to foster sound public policy and effective government.</p> <p>Simplicity – The DCHFA will employ a HomeSaver Program design that seeks to minimize administrative costs, thereby maximizing the amount of dollars available for assistance.</p>
<p>3. Target Population / Areas</p>	<p>The HomeSaver Program will be available to eligible homeowners throughout the District.</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$22,977,023</p>
<p>5. Borrower Eligibility Criteria</p>	<p>Eligible program participants will be District homeowners identified on the most recent deed of trust, or deed, who currently occupy their home as a primary residence.</p> <p>In addition, candidates must also meet the following criteria:</p> <ul style="list-style-type: none"> • Unemployment and Underemployment Assistance – <i>unemployed</i> homeowners who have received UI benefits within six (6) months of application; or <i>underemployed</i> homeowners who (i) have had an involuntary reduction in gross income such that the homeowner’s income is 90% or less of the homeowner’s pre-hardship income (which reduction occurred after the origination of the current mortgage), (ii) have a current gross income less than or equal to 120% of Area Median Income (“AMI”), and (iii) have a monthly PITI payment that is greater than 38% of the homeowner’s gross monthly income. • Restore –homeowners who

	<ul style="list-style-type: none"> ○ have suffered an eligible financial hardship, and, through no fault of their own, are at risk of a foreclosure due to unpaid mortgage payments, property taxes, hazard insurance, late fees, condo fees, homeowners association fees, legal fees or other property-related payments; and ○ if the default is cured, can afford to resume future payments without additional assistance by demonstrating a housing payment ratio of 38% or less of the homeowner’s gross monthly income. <p>All program participants will be required to sign a Hardship Affidavit attesting to their inability to make mortgage payments or reinstate their delinquency due to unemployment, substantial underemployment, or other eligible financial hardship that occurred through no fault of their own.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>Single-family home or condominium.</p>
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Homeowners with an outstanding mortgage balance greater than \$729,750; • Homeowners whose income is over 120% of AMI; • Homeowners who are in active bankruptcy; • Residential cooperative units; • Homeowners unable to substantiate past and present income or who fail to provide required program documentation as requested.
<p>8. Structure of Assistance</p>	<p>All loans will be recorded as non-recourse junior liens against the property and will be non-amortizing. Loans will be forgiven at a rate of 20% per year such that in year six (6) the loan will be forgiven and the lien released.</p> <p>If assistance is paid directly (or through a settlement agent) to the District of Columbia Office of Tax and Revenue and/or to a condominium or homeowners association, the homeowner will execute an additional, simultaneous Demand Note in the amount required to redeem a property (if applicable).</p> <p>The loan will only be repayable if the program participant sells or refinances the property prior to expiration of the lien period, and then only to the extent there is sufficient equity to pay that portion of the loan that has not been forgiven. Notwithstanding the foregoing, if a program participant refinances prior to full forgiveness, and the participant is not receiving any cash from</p>

	<p>the refinance, the HomeSaver loan will subordinate to the new loan and will continue to be forgiven.</p> <p>Loan funds repaid by program participants will be returned to the program or recaptured in accordance with the Agreement.</p>
9. Per Household Assistance	Maximum program assistance is \$60,000 per household.
10. Duration of Assistance	<p>Unemployment and Underemployment Assistance. The maximum duration of assistance is twenty-four (24) months. Eligible homeowners may combine lump-sum catch-up assistance and forward-paying assistance so long as the total duration of assistance does not exceed the cap. For example, if an unemployed homeowner receives catch-up assistance to bring his/her mortgage current after a six (6) month delinquency, the homeowner may still be eligible for up to eighteen (18) months of forward-paying assistance, as long as the total duration does not exceed twenty-four (24) months.</p> <p>Restore Assistance. One-time lump-sum payment capped at \$60,000.</p>
11. Estimated Number of Participating Households	900-1,200
12. Program Inception / Duration	The HomeSaver Program began January 18, 2011 and is expected to continue until all funds are exhausted, but not later than December 31, 2020.
13. Program Interactions with Other HFA Programs	Homeowners may access other District programs. The DCHFA will explore partnerships with other District agencies that have programs assisting District residents at risk of foreclosure, including the Department of Housing and Community Development (“DHCD”) and the Department of Insurance Securities and Banking (“DISB”). DISB provides foreclosure mitigation assistance and DHCD funds foreclosure prevention counseling and other federal programs including the Neighborhood Stabilization Program.
14. Program Interactions with HAMP	Eligible homeowners may also access Federal programs including HAMP and HAMP UP. Homeowners may utilize HAMP UP before or after the HomeSaver Program.

15. Program Leverage with Other Financial Resources	The HomeSaver Program requires no financial contribution from servicers or lenders, however, loan modifications or contributions/fee waivers are permitted (but not required).
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SCHEDULE C

PERMITTED EXPENSES

Washington D.C.	
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$76,829.00
Building, Equipment, Technology	\$166,968.00
Professional Services	\$12,000.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$7,500.00
Travel	\$5,000.00
Website development /Translation	\$1,412.00
Contingency	\$0.00
Subtotal	\$269,709.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$1,683,615.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$236,300.00
Travel	\$9,000.00
Buildings, Leases & Equipment	\$209,650.00
Information Technology & Communications	\$804,834.00
Office Supplies/Postage and Delivery/Subscriptions	\$22,123.00
Risk Management/ Insurance	\$0.00
Training	\$0.00
Marketing/PR	\$37,426.00
Miscellaneous	\$10,000.00
Subtotal	\$3,012,948.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$938,705.00
Wire Transfer Fees	\$152,762.00
<i>Counseling Expenses</i>	
File Intake	\$0.00
Decision Costs	\$0.00
Successful File	\$1,286,769.00
Key Business Partners On-Going	\$107,215.00
Subtotal	\$2,485,451.00

Grand Total	\$5,768,108.00
% of Total Award	20.07%
Award Amount	\$28,745,131.00