

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

This Fourteenth 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 Fourteenth 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
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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:

MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

By: /s/ Kevin Elsenheimer
Name: Kevin Elsenheimer
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

MICHIGAN HOMEOWNER ASSISTANCE
NONPROFIT HOUSING CORPORATION

By: /s/ Mary Townley
Name: Mary Townley
Title: V.P. Hardest Hit

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: Michigan Homeowner Assistance Nonprofit Housing Corporation

Corporate or other organizational form: Domestic Nonprofit Corporation

Jurisdiction of organization: State of Michigan

Notice Information:

HFA Information:

Name of HFA: Michigan State Housing Development Authority

Organizational form: Public body corporate and politic of the State of Michigan

Date of Application: April 14, 2010

Date of Action Plan: September 1, 2010

Notice Information:

Program Participation Cap: \$761,204,045.00

Portion of Program Participation Cap Representing Original HHF Funds: \$154,500,000.00

Portion of Program Participation Cap Representing Unemployment HHF Funds: \$128,461,559.00

Rounds 1-4 Funding Allocation: \$498,605,738.00

Round 5 Funding Allocation: \$262,598,307.00

Permitted Expenses: \$69,981,853.00

Closing Date: June 23, 2010

First Amendment Date: September 23, 2010

<u>Second Amendment Date:</u>	September 29, 2010
<u>Third Amendment Date:</u>	December 16, 2010
<u>Fourth Amendment Date:</u>	August 3, 2011
<u>Fifth Amendment Date:</u>	June 28, 2012
<u>Sixth Amendment Date:</u>	November 15, 2012
<u>Seventh Amendment Date:</u>	June 6, 2013
<u>Eighth Amendment Date:</u>	December 12, 2013
<u>Ninth Amendment Date:</u>	October 10, 2014
<u>Tenth Amendment Date:</u>	March 6, 2015
<u>Eleventh Amendment Date:</u>	October 28, 2015
<u>Twelfth Amendment Date:</u>	April 1, 2016
<u>Thirteenth Amendment Date:</u>	June 1, 2016
<u>Fourteenth Amendment Date:</u>	December 19, 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
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
PRINCIPAL CURTAILMENT PROGRAM (PC)
Summary Guidelines

1. Program Overview	The Principal Curtailment Program will provide a one-time matching fund of up to \$10,000 to homeowners seeking to modify their loans. The Lender/Servicer must agree to provide matching forgiveness of principal and to modify the reduced loan balance.
2. Program Goals	The Principal Curtailment will prevent avoidable foreclosures by helping homeowners who have a qualifying, involuntary hardship (for example, homeowners who currently cannot refinance or modify their mortgages due to negative equity positions). Homeowners will benefit from both a restructured loan payment and the reduction in principal balance, reducing monthly payments and increasing sustainability.
3. Target Population/Areas	MHA does not anticipate targeting this assistance on a geographic basis, nor have we anticipated targeting specific income limits.
4. Program Allocation (Excluding Administrative Expenses)	\$2,764,875.77
5. Borrower Eligibility Criteria	MHA determines homeowner eligibility. Homeowners presently having negative equity, greater than 100% Loan to Value (LTV) or greater than 100% Combined Loan to Value (CLTV), and needing principal curtailment in order to reach a sustainable mortgage payment. Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship. If providing assistance on a 2 nd lien, first lien must be documented as current. MHA considers a sustainable mortgage payment 45% or less (gross household income to validated mortgage payment).
6. Property/Loan Eligibility Criteria	The homeowner must currently occupy the property as his/her primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures

	<p>to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1- 4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.</p>
<p>7. Program Exclusions</p>	<p>Second homes or investment properties. Homeowners with Liquid- cash reserves exceeding 6 months validated mortgage payments. Lender/Service is not required to accept homeowner to the program if a notice of trustee/sheriff sale has been recorded or the trustee/sheriff sale is scheduled less than seven days from date the Lender/Service is notified of borrower eligibility.</p>
<p>8. Structure of Assistance</p>	<p>Homeowners receiving assistance will execute a secured Subordinate lien mortgage and note in favor of the MHA. Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a no cash out, limited-term, refinance, the MHA may subordinate lien position in accordance with program guidelines. Mortgage will be recorded through public records and ongoing monitoring, repayments, discharges, and subordinations will be conducted by MHA. Any repayment of program funds will be re-invested back into program allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit Funds will be available on a first come, first serve basis.</p> <p>The Lender/Service will determine terms of modification according to their internal guidelines. The Lender/Service will transmit modification terms to the MHA for review and agree to match MHA’s assistance dollar for dollar towards principal curtailment. Awarded funds will be remitted to Lender/Service to be applied towards the capitalized balance resulting in a reduction in existing principal on either the 1st or 2nd Mortgage.</p> <p>Lender/Service is required to provide timely communication of homeowner’s loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Service is required to provide evidence of timely application of Hardest Hit Funds</p>

	inclusive of their required minimum 1:1 match. Lender/Servicer is required to waive all accumulated late charges and non- sufficient funds (NSF) fees.
9. Per Household Assistance	Maximum of \$10,000 per household with a minimum 1:1 match from the Lender/Servicer; total of \$20,000 per household.
10. Duration of Assistance	One time assistance to homeowner paid directly to Lender/Servicer for application towards capitalized balance.
11. Estimated Number of Participating Households	300 households could be served under this program if they all receive the maximum funding amount of \$10,000.
12. Program Inception/ Duration	Program rolled out July 12, 2010. Based on the overwhelming need, funds allocated to this Program will likely be exhausted 3 rd quarter 2014.
13. Program Interactions with Other HFA Programs	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program.
14. Program Interactions with HAMP	Homeowners can receive HAMP assistance (including UP program assistance) prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Servicers to follow current guidance issued by their investor and/or U.S. Treasury.
15. Program Leverage with Other Financial Resources	Existing Lender/Servicer will be required to match Hardest Hit Funds at a minimum of 1:1 towards capitalized debt. Lender/Servicer agrees to waive all accumulated late fees and NSF fees upon receipt of Hardest Hit Funds.

SERVICE SCHEDULE B-2

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LOAN RESCUE PROGRAM (LR)**

Summary Guidelines

1. Program Overview	Whether it was a divorce, a serious illness, or a recent period unemployment, many Michigan families have encountered some significant obstacle in their lives that resulted in delinquent mortgage, property tax, or condominium association fees that could result in property foreclosure. This program will provide up to \$30,000 in assistance to households who had a qualifying, involuntary hardship and can sustain homeownership, but need assistance to catch up on delinquent payments, escrow shortage, delinquent property taxes, and/or delinquent condominium association fees to avoid foreclosure. (Condominium assessed fees as described in Act 59, MCL 559.101, <i>et seq.</i> , as amended).
2. Program Goals	This program will prevent avoidable foreclosures by helping homeowners get back on solid footing. In so doing, the program will stem the oversupply of foreclosed homes and short sales that dominate many markets and help stabilize the broader housing market in Michigan.
3. Target Population/Areas	Michigan homeowners currently delinquent on mortgage payments including property taxes and/or condominium association fees.
4. Program Allocation (Excluding Administrative Expenses)	\$216,572,902.35
5. Borrower Eligibility Criteria	MHA determines homeowner eligibility. Homeowners who had a qualifying, involuntary hardship (for example, job loss, decreased income or a catastrophic event). Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship. If providing assistance on a 2 nd lien, first lien must be documented as current. MHA considers a sustainable mortgage payment 45% or less (gross household income to validated mortgage payment). If the property is free and clear of mortgage liens, sustainable housing ratio will be calculated on monthly payment of annual tax and condominium association fees; must be 45% or less.

<p>6. Property/Loan Eligibility Criteria</p>	<p>The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.</p>
<p>7. Program Exclusions</p>	<p>Second homes or investment properties. Properties already foreclosed; after the sheriff sale date or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000.</p>
<p>8. Structure of Assistance</p>	<p>Homeowners receiving assistance must be able to execute a secured subordinate lien mortgage and note in favor of the Eligible Entity. Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction, the MHA may subordinate lien position in accordance with program guidelines. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan’s Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit Funds will be available on a first come, first serve basis.</p> <p>If assistance is paid directly to tax authority or condominium association, homeowner will execute an additional, simultaneous Demand Note in the amount of delinquent taxes and/or delinquent condominium association fees.</p> <p>Lender/Servicer and/or eligible third party (property tax authority or condominium association) is required to provide timely communication of homeowner’s loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Servicer and/or eligible third party (property tax authority or condominium association) is required to provide evidence of timely application of Hardest Hit Funds. Lender/Servicer is required</p>

	to waive all accumulated late charges and non-sufficient funds (NSF) fees.
9. Per Household Assistance	One time award up to \$30,000 per household.
10. Duration of Assistance	One-time assistance to homeowner, paid directly to Lender/Service and/or eligible third party, for application towards homeowner's total, accrued delinquent mortgage payments, escrow shortages, corporate advances, excluding late charges and NSF fees, delinquent property taxes and/or delinquent condominium association fees on homeowners' account.
11. Estimated Number of Participating Households	Based upon maximum program funding of \$30,000 per household, 7,218 households may be assisted.
12. Program Inception / Duration	Based on the overwhelming need, funds allocated to this Program will likely be exhausted prior to December 31, 2020.
13. Program Interactions with Other HFA Programs	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program. Homeowners are eligible for simultaneous disbursements to multiple, eligible entities/participating partners in this Program.
14. Program Interactions with HAMP	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service to follow current guidance issued by their investor and/or U.S. Treasury.
15. Program Leverage with Other Financial Resources	Lender/Service agrees to waive all accumulated late fees and NSF fees. No further matching is required.

SERVICE SCHEDULE B-3

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
UNEMPLOYMENT MORTGAGE SUBSIDY PROGRAM (UMS)**

Summary Guidelines

1. Program Overview	<p>Michigan, through its Unemployment Mortgage Subsidy Program, may directly provide funds to the Lender/Servicer to subsidize an eligible homeowner's current or modified monthly mortgage payment and/or reinstate an existing mortgage, property tax or condominium association fees delinquency.</p> <p>This Program assists the homeowner who has had a qualifying, unemployment or underemployment-related hardship in retaining homeownership by subsidizing up to 50% or \$1,000 (whichever is less) of the monthly mortgage payment. The monthly subsidy will not exceed a total of 12 consecutive months or \$12,000. Homeowners will be responsible for the unsubsidized portion of their first mortgage lien's monthly payment, which will be collected by MHA's special sub-servicer and sent to MHA; MHA will always remit the full mortgage payment directly to the Lender/Servicer.</p> <p>Homeowners will also be eligible for upfront assistance to contribute towards a mortgage delinquency; inclusive of current mortgage payment due, delinquent mortgage payments, escrow shortages, corporate advances, excluding accrued late charges and non-sufficient funds (NSF) fees, on homeowners' mortgage account. Unemployed or underemployed homeowners that do not have a first mortgage lien or the first mortgage lien is documented as current and is not with a participating lender/servicer may be eligible for one-time reinstatement of delinquent property taxes and/or condominium association dues only. Maximum reinstatement amount cannot exceed the maximum program reservation of \$30,000 less the total amount initially reserved for 12 monthly subsidy amounts.</p>
2. Program Goals	<p>Provide monthly mortgage payment assistance and delinquent mortgage, property tax, or condominium association fees reinstatement to unemployed or underemployed residents helping them remain successful in homeownership by preventing avoidable foreclosures. In so doing, the program will stem the oversupply of foreclosed homes that dominate many markets and help stabilize the broader housing market in Michigan.</p>

3. Target Population / Areas	Unemployed and underemployed Michigan homeowners who need help paying their monthly mortgage payment and/or are currently delinquent on mortgage payments, property taxes and /or condominium fees.
4. Program Allocation (Excluding Administrative Expenses)	\$81,861,559
5. Borrower Eligibility Criteria	MHA determines homeowner eligibility. Homeowners who have lost their job and have received Michigan unemployment benefits (UIA) within the last 12 months of application date (not registration date) or homeowners who are underemployed and are able to document a 20% reduction in gross income. Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship. Qualifying ratio of 45% or less (gross household income, including unemployment compensation, to borrower's required portion of the validated mortgage payment). If the property is free and clear of mortgage liens, sustainable housing ratio will be calculated on monthly payments of annual tax and/or condominium association fees; must be 45% or less.
6. Property / Loan Eligibility Criteria	The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.
7. Program Exclusions	Homeowners unable to document an eligible unemployment or underemployment hardship. Second homes or investment properties. Properties already foreclosed; after the sheriff sale or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000. Assistance may not be provided on a loan in a 2 nd lien position.
8. Structure of Assistance	Homeowners receiving assistance must be able to execute a secured subordinate lien mortgage and note in favor of the MHA. Loan will be 0%, non-amortizing loan, forgivable over a

	<p>5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction, the MHA may subordinate lien position in accordance with in program guidelines. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan's Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit funds will be available on a first come, first serve basis.</p> <p>Lender/Service is required to provide timely communication of homeowner's loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Service is required to provide evidence of timely application of Hardest Hit Funds. Lender/Service is required to waive all accumulated late charges and NSF fees.</p>
9. Per Household Assistance	\$ 30,000 maximum per household.
10. Duration of Assistance	After one-time reinstatement assistance to mortgage lender/service, tax authority and/or condominium association, the monthly subsidy ceases after 12 months consecutive monthly payments OR if homeowner fails to pay their portion of the payment in accordance with terms of the Note.
11. Estimated Number of Participating Households	Based upon maximum program funding of \$30,000 per household, a minimum of 2,728 households may be assisted.
12. Program Inception / Duration	Based on the overwhelming need, funds allocated to this program will likely be exhausted prior to December 31, 2017.
13. Program Interactions with Other HFA Programs	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program.
14. Program Interactions with HAMP	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service to follow current guidance issued by their investor and/or U.S. Treasury.
15. Program Leverage	Lender/Service agrees to waive all accumulated late fees and

with Other Financial Resources	NSF fees. No further matching is required.
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SERVICE SCHEDULE B-4

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY MODIFICATION PLAN PROGRAM (MP) Summary Guidelines

1. Program Overview	Michigan's Modification Plan Program provides a permanent solution to many homeowners who have a qualifying, involuntary hardship and an unsustainable monthly mortgage payment and/or to borrowers with severe negative equity. Up to \$30,000 in assistance may be provided to the Lender/Serviceicer to pay the capitalized balance or negative equity in order to contribute towards reaching a lower monthly payment. Re-amortization only or Recast Modifications are eligible.
2. Program Goals	This program will prevent avoidable foreclosures by putting homeowners who may be at a higher risk of foreclosure into a permanent, affordable loan modification allowing them to maintain homeownership, curb vacancies and stabilize local communities.
3. Target Population/Areas	Homeowners with negative equity greater than 115% Loan to Value (LTV) and homeowners who do not have a sustainable mortgage payment.
4. Program Allocation (Excluding Administrative Expenses)	\$8,837,288.88
5. Borrower Eligibility Criteria	MHA determines homeowner eligibility. Homeowners who have a qualifying, involuntary hardship and a present housing payment greater than 45% and/or have severe negative equity greater than 115% LTV. MHA considers a sustainable mortgage payment as 45% or less (gross household income to validated mortgage payment.) Homeowners are required to provide a hardship affidavit; it must be the occupying Homeowner who has the qualifying, involuntary hardship.
6. Property/Loan Eligibility Criteria	The homeowner must currently occupy the property as their primary residence and it must be located within the state of Michigan. Homeowners must execute all Hardest Hit Funds application and closing documents. Eligible structures to include single-family, attached or detached, or manufactured homes on a permanent foundation attached to real property; 1-4 unit properties are eligible if one unit is primary residence of homeowner. Existing mortgage loan balance must be equal to or less than \$729,250.
7. Program Exclusions	Homeowners whose Lender/Serviceicer is unable to permanently modify or recast their existing lien. Assistance may not be provided on a loan in a 2 nd lien position. Second homes or

	investment properties. Properties already foreclosed; after the sheriff sale date or after the foreclosure judgment becomes final (property taxes or condominium association fees.) Homeowners with liquid cash reserves exceeding \$10,000.
8. Structure of Assistance	<p>Homeowners receiving assistance will execute a secured subordinate lien mortgage and note in favor of the MHA. Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, which will be due on sale, transfer of the property, or when the property ceases to be the principal residence of the homeowner. If the primary lien is paid in full due to a refinance transaction the MHA may be willing to subordinate lien position. Mortgage will be recorded through public records; repayments, discharges, and subordinations will be conducted by MHA. Any lien recoveries will be recycled into Michigan's Hardest Hit Funds for future allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Hardest Hit Funds will be available on a first come, first serve basis.</p> <p>MHA will determine amount of assistance up to program maximum based on delinquency amount and/or if the loan is current, based on amount required to improve negative equity position. MHA equity calculation will not reduce principal loan balance below 100% LTV. Awarded funds will be remitted to Lender/Servicer to be applied towards the capitalized balance. The Lender/Servicer will determine term of the modification according to their internal guidelines and transmit modification terms to the MHA. MHA will confirm final LTV is not less than 100% and reduced modified mortgage payment is sustainable i.e. 45% or less (gross household income to validated mortgage payment).</p> <p>Lender/Servicer is required to provide timely communication of homeowner's loan data to the MHA and agree to place collection and foreclosure activity on hold upon their acceptance of the homeowner into the Hardest Hit Funds Program; active foreclosure action to be canceled upon receipt of Hardest Hit Funds. Lender/Servicer is required to provide evidence of timely application of Hardest Hit Funds. Lender/Servicer is required to waive all accumulated late charges and non-sufficient funds (NSF) fees.</p>
9. Per Household Assistance	One-time award up to \$30,000 per household.
10. Duration of Assistance	One-time assistance to homeowner, paid directly to Lender/Servicer, for application towards capitalized balance and/or negative equity, excluding late fees and NSF fees, on

	homeowners' mortgage account.
11. Estimated Number of Participating Households	Based upon maximum program funding of \$30,000 per household, a minimum of 294 households may be assisted.
12. Program Inception/ Duration	Program rolled out July 2012. Based on the overwhelming need, funds allocated to this Program will likely be exhausted prior to December 31, 2017.
13. Program Interactions with Other HFA Programs	Homeowners will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned and serviced loans are eligible for this program.
14. Program Interactions with HAMP	Homeowners can receive HAMP assistance prior to or after receiving Hardest Hit Funds assistance; Hardest Hit Funds cannot be used to pay HAMP trial period payments. Lender/Service providers to follow current guidance issued by their investor and/or U.S. Treasury.
15. Program Leverage with Other Financial Resources	Lender/Service provider agrees to waive all accumulated late fees and NSF fees. No further matching is required.

SERVICE SCHEDULE B-5

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

BLIGHT ELIMINATION PROGRAM (BE)

Summary Guidelines

1. Program Overview	Strategically target residential and multifamily demolition in designated areas within the state of Michigan, by partnering with land banks, non-profit and/or for-profit organizations (together, “Partners”).
2. Program Goals	The Blight Elimination Program (BE) primary purpose and goal is to focus efforts on decreasing foreclosures and stabilizing neighborhoods through the demolition and greening of vacant and abandoned single family and multi family structures in designated areas across Michigan. MHA will work with program Partners to identify meaningful indicators that will enable them to track and quantify the Blight Elimination Program’s impact in the designated communities.
3. Target Population/Areas	Demolition funds will be focused in the cities of Detroit, Flint, Grand Rapids, Pontiac, Saginaw, Ecorse, Highland Park, River Rouge, Ironwood, Muskegon Heights, Inkster, Jackson, Hamtramck, Port Huron, Adrian and Lansing. Additional cities will be selected through an application process pursuant to a Notice for Funds Availability (NOFA), and upon approval of the applicant’s strategic plan and execution of agreements. Please refer to program guides for additional information. MHA may authorize demolition to immediately adjacent neighborhoods to the designated cities if there is consensus among the applicable Partners that activity will promote increased values of remaining property and promote a positive economic impact.
4. Program Allocation (Excluding Administrative Expenses)	\$381,185,566. Of this amount, no more than \$11,761,670 will be utilized pursuant to the NOFA application process described above.
5. Property Eligibility Criteria	MHA determines property eligibility. Property will be considered blighted if it meets any of the following criteria as determined by the local governing body in their strategic plan and pursuant to program guidelines. <ul style="list-style-type: none">• Considered a public nuisance according to local code or ordinance.• Is a nuisance due to age, physical condition or use.• Has had utilities, plumbing, heating or sewage disconnected, destroyed, removed or rendered ineffective so that property is

	<p>unfit for the intended use.</p> <p>For any requests submitted on or after January 15, 2016, properties must not be legally occupied at the time of any review or approval by the HFA or eligible entity (as applicable) for blight elimination activity.</p>
6. Ownership/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Eligibility for residential (1-4 units) and multi-family (4+ units) demolition will be determined by MHA internal committee, ensuring funds will be appropriately spent, providing the greatest good for the city and neighborhood as defined in the program guidelines. • MHA to issue note and mortgage not to exceed \$25,000 per structure for actual costs incurred to acquire (if applicable), demolish, green, manage, and maintain property for a period to run concurrently with the term of the lien.
7. Program Exclusions	<ul style="list-style-type: none"> • Commercial structures • Properties listed on a national, state, or local historic register that do not receive approval from State Historic Preservation office and local Historical Chapters.
8. Structure of Assistance	<p>MHA/MSHDA will determine project sites in direct consultation with Partners.</p> <p>Partners will be responsible for property acquisition (if applicable), demolition work and on-going property maintenance.</p> <p>Partners will submit to MHA/MSHDA the following for each demolition candidate:</p> <ul style="list-style-type: none"> • Property ownership and/or acquisition information including location, deed, title insurance or equivalent. • Pre demolition inspection with photos and post demolition inspection with photos. Third party environmental inspection (including asbestos information, if applicable), report providing proof of completion of demolition. • Any other miscellaneous information identified on property to include hazards, adverse findings, etc. <p>Upon receipt of the above documentation, MHA will provide Hardest Hit funding to Partner after Partner's execution of a mortgage and note for a maximum of \$25,000 in favor of MHA. Total assistance will provide for payoff of any existing lien (if applicable), demolition costs, a \$500 one-time project management fee, and \$750 maintenance fee to cover maintenance of property for a period to run concurrently with the term of the lien.</p>

	<p>Loan will be 0%, non-amortizing loan, forgivable over a 5 year term at 20% per year, as long as covenants are met; outstanding balance of loan will be due on sale, transfer, or unauthorized use of the property, to the extent of net proceeds received. Mortgage will be recorded through public records and ongoing monitoring, repayments, and discharges will be conducted by MHA. Any repayment of program funds will be re-invested back into program allocation. All funds remaining in the program will be returned to Treasury in accordance with the Agreement. Special considerations may be made by MHA to release lien prior to 5 year term based on merit of request and to promote positive economic impact to community as set forth in program guidelines.</p>
9. Per Property Assistance	<p>Maximum of \$25,000 per structure which includes payoff of existing lien (if applicable); demolition costs, a one-time project management fee, and maintenance fee.</p>
10. Frequency of Assistance	<p>One time assistance per property.</p>
11. Estimated Number of Properties demolished	<p>15,247 properties could be served under this program if they all receive the maximum funding amount of \$25,000. Further economies of scale savings will be investigated to drive costs down throughout all communities served for the BE program. This will in essence increase the total number of properties served to be greater than 15,247</p>
12. Program Inception/ Duration	<p>Expansion of Program to roll out late November, 2014. Based on the overwhelming need, funds allocated to this Program will likely be exhausted prior to December 31, 2020.</p>
13. Program Interactions with Other HFA Programs	<p>Property will only be eligible for one MHA Hardest Hit Funds Program. MSHDA owned properties may be eligible for this program.</p>

SCHEDULE C

PERMITTED EXPENSES

	Michigan
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$0.00
Building, Equipment, Technology	\$0.00
Professional Services	\$57,270
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$787,500
Travel	\$0.00
Website development /Translation	\$0.00
Contingency	\$0.00
Subtotal	\$ 844,770
<i>Operating / Administrative Expenses:</i>	
Salaries	\$38,756,910
Professional Services (Legal, Compliance, Audit, Monitoring)	\$ 6,090,000
Travel	\$70,000
Buildings, Leases & Equipment	\$ 2,007,730
Information Technology & Communications	\$ 1,375,000
Office Supplies/Postage and Delivery/Subscriptions	\$678,000
Risk Management/ Insurance	
Training	\$ 25,000
Marketing/PR	\$10,835,003
Miscellaneous	\$ 800,000
Subtotal	\$ 60,637,643
<i>Transaction Related Expenses:</i>	
Recording Fees	\$2,650,000
Wire Transfer Fees	\$405,000
<i>Counseling Expenses</i>	
File Intake	\$204,440
Decision Costs	\$0.00
Successful File	\$0.00
Key Business Partners On-Going	\$5,240,000
Subtotal	\$ 8,499,440

Grand Total	\$ 69,981,853
% of Total Award	9.19%
Award Amount	\$761,204,045