

SERVICE SCHEDULE B-1

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

<p>1. Program Overview</p>	<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>
<p>2. Program Goals</p>	<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 (e.g., 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>\$19,256,159</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>
6. Property / Loan Eligibility Criteria	Single-family home or condominium.
7. Program Exclusions	<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; or ● Homeowners unable to substantiate past and present income or who fail to provide required program documentation as requested.
8. Structure of Assistance	<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	Prior to the conclusion of Making Home Affordable programs, eligible homeowners could access Federal programs including HAMP and HAMP UP. Homeowners could 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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SERVICE SCHEDULE B-2

District of Columbia Housing Finance Agency RECAST/LIEN EXTINGUISHMENT PROGRAM Summary Guidelines

1. Program Overview	The Recast/Lien Extinguishment Program (R/LE Program) will help District of Columbia (“District”) homeowners who are at risk of foreclosure, by lowering mortgage expense payments through a principal reduction and re-amortization (recast) of the remaining principal balance, or a complete lien extinguishment. The R/LE Program may also be used to pay all delinquent mortgage and mortgage-related expenses necessary to bring the homeowner current on arrears, in conjunction with a principal reduction and recast or complete lien extinguishment.
2. Program Goals	The goal of the R/LE Program is to assist District homeowners who are unable to sustain current mortgage payments and are at risk of foreclosure due to an eligible financial hardship. This program will achieve affordability and long term sustainability by creating a more affordable mortgage expense payment.
3. Target Population / Areas	The R/LE Program will be available to eligible homeowners throughout the District.
4. Program Allocation (Excluding Administrative Expenses)	\$3,750,000
5. Borrower Eligibility Criteria	<p>Eligible program participants will be District homeowners identified on the mortgage note, who currently occupy their home as a primary residence and have experienced an eligible financial hardship that occurred through no fault of their own.</p> <p>In addition, all homeowners must meet the following criteria in order to be eligible for assistance under the R/LE Program:</p> <ul style="list-style-type: none">○ Homeowner has become re-employed or secured a fixed income source as defined in program guidelines○ Homeowner has a satisfactory payment history prior to demonstrated financial hardship○ Current housing expenses >30% of gross monthly income○ After assistance, can afford to resume future

	<p>payments without additional assistance by demonstrating housing expense payments of no more than 38% of gross monthly income</p> <ul style="list-style-type: none"> ○ Gross borrower income may not exceed 120% of Area Median Income <p>Homeowners must meet the following additional criteria in order to be eligible for a complete lien extinguishment:</p> <ul style="list-style-type: none"> ○ Primary source of income is fixed, as defined in the program guidelines <p>Homeowners must meet the following additional criteria in order to be eligible for principal reduction and recast:</p> <ul style="list-style-type: none"> ○ Primary source of income is fixed, as defined in the program guidelines; or ○ If primary source of income is not fixed, as defined in the program guidelines: <ul style="list-style-type: none"> ▪ Pre-assistance combined loan to value (CLTV) ratio > 80%; and ▪ Post-assistance CLTV ratio ≥ 80%. Post-assistance CLTV may go below 80% only if no more than \$20,000 is provided toward a principal reduction in order to achieve a post-assistance housing expense payment between 30% and 38% of the gross monthly income. <p>All program participants will be required to sign a Hardship Affidavit attesting to their inability to make mortgage payments due to substantial underemployment/loss of income, transition to lower fixed income, or other eligible financial hardship that occurred through no fault of their own.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>Property must be a single-family home or condominium unit occupied as a primary residence and located in the District of Columbia. Interest only or negative amortization loans must become fully amortizing mortgages at the time of recast.</p>
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> ● Homeowners with outstanding mortgage balances 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 present income or who fail to provide required program documentation as requested.

8. Structure of Assistance	<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>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 the refinance, the R/LE Program loan will be 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	<p>Eligible homeowners may receive up to \$50,000 for principal reduction and recast or lien extinguishment. Homeowners with a delinquent mortgage may be brought current with up to \$60,000, not to exceed total assistance of \$75,000 under the R/LE Program.</p> <p>Eligible homeowners may receive up to a maximum of \$100,000 total assistance from the R/LE Program and the HomeSaver Program combined.</p>
10. Duration of Assistance	One-time lump-sum payment capped at \$75,000.
11. Estimated Number of Participating Households	75
12. Program Inception / Duration	The R/LE Program will be implemented by the third quarter of 2018 and continue until funds are exhausted or December 31, 2020, whichever occurs first.
13. Program Interactions with Other HFA Programs	Homeowners who have participated in other HomeSaver Programs may be eligible to participate in the R/LE Program provided the homeowner meets program eligibility requirements.
14. Program Interactions with HAMP	N/A
15. Program Leverage with	The R/LE Program requires no financial contribution from

Other Financial Resources	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	20.05%
Award Amount	\$28,774,267.00