FIRST AMENDMENT TO

COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
and
HFA PARTICIPATION AGREEMENT

This First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "First Amendment") is entered into as of the date set forth on Schedule A attached hereto as the 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 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 (P.L. 110-343), as amended, as the same may be amended from time to time ("EESA");

WHEREAS, pursuant to the Original HPA, Treasury purchased a Financial Instrument from Eligible Entity (the "Original Financial Instrument") on the Closing Date;

WHEREAS, on August 11, 2010 the Obama Administration announced that Treasury would make $2 billion of additional assistance available under the HHF Program for foreclosure prevention programs for homeowners struggling to make their mortgage payments due to unemployment (the "Unemployment HHF Funds") in certain states that had previously received HHF Program funding, as well as certain new states and Washington, D.C.;

WHEREAS, Treasury requested an action plan from state housing finance agencies in states that have previously received HHF Program funds for the use of the Unemployment HHF Funds to develop and implement a program or programs that specifically target homeowners struggling with unemployment;

WHEREAS, HFA and Eligible Entity are part of, or are acting on behalf of, a state that was targeted to receive Unemployment HHF Funds and as such, Treasury, HFA and Eligible Entity wish to enter into this First Amendment to document all modifications and additional provisions necessary to address the Unemployment HHF Funds;

WHEREAS, Treasury and Eligible Entity also desire to amend certain terms of the Original Financial Instrument;

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 Original HPA to the "Agreement" shall mean the Original HPA, as amended by this First Amendment; all references in the Original HPA to the "Financial Instrument" shall mean the Amended and Restated Financial Instrument in the form attached to this First Amendment as Exhibit A; all references in the Original HPA to the "Capital Draw Request" shall mean the Capital Draw Request in the form attached to this First Amendment as Exhibit C; and all references in the Original HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this First Amendment. All references herein to the "HPA" shall mean the Original HPA, as amended by this First Amendment.

B. Unemployment Programs. The following additional language shall be added to Section 3.A. of the Original HPA:

> "No Capital Draw for funds in excess of the amount indicated on Schedule A attached hereto as Portion of Program Participation Cap Representing Original HHF Funds shall be permissible for (i) Services that do not Qualify as an Unemployment Program, as indicated in the applicable Service Schedule, without the approval of Treasury, or (ii) Permitted Expenses."

C. Schedule A. Schedule A attached to the Original HPA is hereby deleted in its entirety and replaced with Schedule A attached to this First Amendment.

D. Schedule B. Schedule B attached to the Original HPA is hereby deleted in its entirety and replaced with Schedule B attached to this First Amendment.

E. Schedule C. Schedule C attached to the Original HPA is hereby deleted in its entirety and replaced with Schedule C attached to this First Amendment.

F. Exhibit A. Exhibit A attached to the Original HPA is hereby deleted in its entirety and replaced with Exhibit A attached to this First Amendment.

G. Exhibit C. Exhibit C attached to the Original HPA is hereby deleted in its entirety and replaced with Exhibit C attached to this First Amendment.

2. Substitution of Financial Instrument

Eligible Entity shall deliver to Treasury on the date hereof an Amended and Restated Financial Instrument in the form attached to this First Amendment as Exhibit A. By executing this First Amendment, Treasury, HFA and Eligible Entity authorize The Bank of New York Mellon to cancel the Original Financial Instrument against delivery of such Amended and Restated Financial Instrument and direct The Bank of New York Mellon to return the cancelled Original Financial Instrument to (or at the direction of) the Eligible Entity.

3. **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 covenants and agrees that no funds in excess of the amount indicated on Schedule A attached hereto as Portion of Program Participation Cap Representing Original HHF Funds shall be used (i) to fund Services performed by Eligible Entity that do not Qualify as an Unemployment Program, as indicated in the applicable Service Schedule, or (ii) for Permitted Expenses.

(2) 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.

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

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

4. **Miscellaneous**

A. The recitals set forth at the beginning of this First 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 First 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 First Amendment and the Amended and Restated Financial Instrument 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 First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

HFA:

CALIFORNIA HOUSING FINANCE AGENCY

By: /s/ L. Steven Spears
Name: L. Steven Spears
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

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

ELIGIBLE ENTITY:

CALHFA MORTGAGE ASSISTANCE CORPORATION

By: /s/ Diane M. Richardson
Name: Diane M. Richardson
Title: President

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

HFA:

CALIFORNIA HOUSING FINANCE AGENCY

By: ______________________
Name: L. Steven Spears
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

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

ELIGIBLE ENTITY:

CALHFA MORTGAGE ASSISTANCE CORPORATION

By: ______________________
Name: Diane M. Richardson
Title: President

EXHIBITS AND SCHEDULES

Exhibit A	Form of Amended and Restated Financial Instrument
Exhibit C	Form of Capital Draw Request
Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses

EXHIBIT A

FORM OF AMENDED AND RESTATED FINANCIAL INSTRUMENT

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

Recitals

WHEREAS, Eligible Entity executed and delivered that certain Financial Instrument dated as of the Effective Date to Treasury ("Original Financial Instrument");

WHEREAS, Treasury and Eligible Entity desire to amend certain terms of the Original Financial Instrument regarding repayment of the Purchase Price, which were clarified after the Closing Date and to provide consistent terms for all states receiving HHF Program funds;

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

1. Eligible Entity Obligation; Purchase Price Consideration.

    (a) Eligible Entity shall perform all Services described in the Service Schedules in consideration for the Purchase Price described in subsection (b) below, in accordance with the terms and conditions of the Agreement, to the satisfaction of Treasury. The conditions precedent to the payment by Treasury of the Purchase Price with respect to the Services are set forth in Section 3(B) of the Agreement.

    (b) This Amended and Restated Financial Instrument is being purchased by Treasury pursuant to Section 3 of the Agreement through the payment by Treasury of various payments referred to collectively in the Agreement as the "Purchase Price" (which Purchase Price includes payments made by Treasury under the Original Financial Instrument). This Amended and Restated Financial Instrument is being purchased by Treasury in connection with Eligible Entity's participation in the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets program (the "HHF Program") created under the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time ("EESA").

2. Repayment of Purchase Price. In the event a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services, Eligible Entity shall use such funds as follows:

(a) First, if such funds are repaid on or prior to December 31, 2017, Eligible Entity may use such repaid funds to continue to provide Services to other eligible homeowners up to and including December 31, 2017 or retain such repaid funds to fund the Permitted Expenses to the extent the full amount as indicated on Schedule C to the Agreement has not been drawn from Treasury pursuant to Section 3(A) of the Agreement. Any repaid funds retained by Eligible Entity to fund Permitted Expenses shall correspondingly reduce the amount that Eligible Entity may draw from Treasury pursuant to Section 3(A) of the Agreement to fund Permitted Expenses.

(b) Second, if such funds are repaid on or prior to December 31, 2017 and Eligible Entity is no longer providing the Services to new homeowners and the Permitted Expenses have been fully funded, then Eligible Entity shall remit such funds to Treasury, monthly on the 15th day of each month or first business day thereafter.

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

3. Final Repayment. In the event Eligible Entity is holding any HHF Programs funds, including, but not limited to, excess cash and amounts on deposit in the administrative reserve, as of December 31, 2017, such funds shall be returned to Treasury or its designee prior to 1:00 p.m. Eastern Standard Time on December 31, 2017.

4. Security Interest. As security for the performance of the Services and the other obligations of Eligible Entity under the Agreement, as such obligations are evidenced in this Amended and Restated Financial Instrument, Eligible Entity has granted to Treasury a first lien priority security interest in the Depository Account and in any moneys, or investments, if any, held therein.

5. Representations, Warranties and Covenants. Eligible Entity represents and warrants that the representations and warranties set forth in the Agreement, on the date hereof, are, and on the date of each Capital Draw hereunder, shall be, true, correct, accurate and complete in all material respects. The truth and accuracy of such representations and warranties are continuing obligations of Eligible Entity. Additionally, all covenants of Eligible Entity set forth in Section 2 of the Agreement are incorporated herein by reference and Eligible Entity, on the date hereof, is not, and on the date of each Capital Draw hereunder, shall not be in breach of any such covenants. In the event that any of the representations or warranties made herein or in the Agreement cease to be true and correct, or the Eligible Entity breaches any of the covenants made herein or in the Agreement, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

6. Limitation of Liability

IN NO EVENT SHALL TREASURY, OR ITS OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO ELIGIBLE ENTITY WITH RESPECT TO THE SERVICES OR THE AGREEMENT, OR FOR ANY ACT OR OMISSION OCCURRING IN CONNECTION WITH THE FOREGOING, FOR ANY DAMAGES

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

7. Indemnification

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

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

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

By: ______________________________
Name: ________________________
Title: ________________________

Date: ____________ __, 2010

EXHIBIT C

FORM OF CAPITAL DRAW REQUEST

[insert date]

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

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

Ladies/Gentlemen:

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

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

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

(a) no default or Event of Default has occurred and is continuing as of the date hereof and on the Funding Date [other than _______________];

(b) each of the representations and warranties made by HFA and Eligible Entity in the HPA and Financial Instrument are true and correct on and as of such date, as if made on and as of the date hereof and on the Funding Date [other than _______________];

(c) HFA and Eligible Entity are in compliance with the covenants and other agreements set forth in the HPA and Financial Instrument, which shall remain in full force and effect [other than _______________];

(d) No portion of any prior Capital Draw and/or this Capital Draw in excess of the amount set forth on Schedule A to the HPA as Portion of Program Participation Cap Representing Original HHF Funds, have been or will be used to fund Services that do not Qualify as an Unemployment Program, as indicated in the applicable Service Schedule, or Permitted Expenses.

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

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

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

[INSERT FULL LEGAL NAME OF HFA]

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

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

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

CAPITAL DRAW SCHEDULE

Capital Draw Request for:	
[______] Program	$____________
[______] Program	$____________
[______] Program	$____________
Permitted Administrative Expenses	$____________
Total Capital Draw Request	$____________
Amount of Capital Draw Request for Non-Unemployment Programs and Permitted Expenses	$____________
Amount of Capital Draw Request for Unemployment Programs	$____________
Total Capital Draw Request as a Percentage of Program Participation Cap[1]:	_____%
Total Purchase Price funded to date, including current Capital Draw:	$____________
Total funding to date, including current Capital Draw for Non-Unemployment Programs and Permitted Expenses[2]	$____________
Total funding to date, including current Capital Draw for Unemployment Programs	$____________
Program Participation Cap:	$____________
Program Funds Remaining:	$____________
Amount of HHF Program funds on hand prior to this Capital Draw:	$____________
HHF Program funds on hand prior to this Capital Draw as a Percentage of Program Participation Cap[3]:	_____%

[1] May not be less than 2.5% nor exceed 20%.
[2] May not exceed Portion of Program Participation Cap Representing Original HHF Funds.
[3] May not exceed 5.0% on the date of submission of the Draw Request.

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

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	CalHFA Mortgage Assistance Corporation
Corporate or other organizational form:	Nonprofit Public Benefit Corporation
Jurisdiction of organization:	California
Notice Information:	

HFA Information:

Name of HFA:	California Housing Finance Agency
Organizational form:	Agency of the State of California
Date of Application:	April 16, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	

<u>Program Participation Cap</u>:	$1,175,857,070.00
Portion of Program Participation Cap <u>Representing Original HHF Funds</u>:	$ 699,600,000.00
Portion of Program Participation Cap <u>Representing Unemployment HHF Funds</u>:	$ 476,257,070.00
<u>Permitted Expenses</u>:	$ 88,189,280.25
<u>Closing Date</u>:	June 23, 2010
<u>Amendment Date</u>:	September 23, 2010
<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 Original 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.

SCHEDULE B-1

California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Unemployment Mortgage Assistance Program (UMA) is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes but have suffered a loss of income due to unemployment. CalHFA MAC is partnering with financial institutions to directly provide program funds to subsidize an eligible borrower's mortgage payments. UMA provides mortgage payment assistance equal to the lesser of \$3,000 per month or 100% of the PITIA (principal, interest, tax, insurance and escrowed homeowner's association dues) for up to six (6) months, with the purpose of preventing avoidable foreclosures until such time that the borrower retains employment sufficient to meet the demands of satisfying their regular mortgage payment.
2. Program Goals	UMA's goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment. The UMA program will minimize past due payments, and provide a borrower with additional time to find alternate employment and replace income needed to make their mortgage payment. UMA was designed to assist borrowers who are currently eligible to receive unemployment benefits. UMA was designed to complement other loss mitigation programs, including increasing a borrower's eligibility for an extended written forbearance plan and/or loan modification.
3. Target Population / Areas	UMA is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	\$505,237,790.75

5. Borrower Eligibility Criteria	• Borrower must qualify as a low-to-moderate income household, as follows:
	    o Low-to-moderate income of 120% or less of the Area Median Income in the county where borrower resides.
	    o A loan financed in whole or in part by bonds that are tax-exempt under IRC section 143, the borrower is presumed to satisfy income limits.
	• Borrower must complete and sign a Hardship Affidavit and 3rd Party Authorization documenting the reason for the hardship.
	• Borrowers who have recently encountered a financial hardship due to underemployment or unemployment related to their military service.
	• Borrower must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.
	• Borrower must be currently eligible to receive unemployment benefits.
	• Mortgage loan is delinquent or at risk of imminent default as substantiated by borrower's hardship documentation. Loans in foreclosure are not eligible.
	• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.
	• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.

6. Property / Loan Eligibility Criteria	• Property is encumbered by a first lien mortgage loan that was originated on or before January 1, 2009. • Current unpaid principal balance (UPB) of the first lien mortgage loan is not greater than $729,750 (GSE conforming limit for a one-unit property). • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, one-unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.
7. Program Exclusions	• Mortgage payments are delinquent 90 days or greater at time of program application. • Loan is in foreclosure.

	• Borrower owns other real property.
	• Borrower's "hardship" is a result of voluntary resignation of employment.
	• The borrower is no longer eligible for unemployment benefits from the California Employment Development Department (EDD) benefit or such benefits will expire within 90 days.
	• Borrower consummated a "cash-out" refinance of the subject first lien mortgage property.
	    o Refinancing for the sole purpose of obtaining a new interest rate and loan term is permissible.
	    o Costs associated with the first mortgage refinance may be financed in the new loan.
	    o Junior liens used to purchase the subject property first mortgage property are not excluded from eligibility.
	• Stand-alone second liens including home equity lines of credit are considered "cash-out." Borrowers with junior liens that meet this description are not eligible for program assistance.

8. Structure of Assistance	CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the total reduced PITIA and equal to the total amount of HHF unemployment assistance. At the conclusion of (3) three years, the subordinate loan will be forgiven provided the loan remains in good standing and the borrower complies with program guidelines. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or refinance with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury. The lender/servicer shall be required to provide the borrower with a written approved forbearance plan for a period no less than three (3) months PITIA. The lender/servicer forbearance plan may precede or follow the HHF program assistance. After December 31, 2017, any remaining or returned funds will be returned to Treasury.
9. Per Household Assistance	Up to $18,000 per household total (average funding of $14,455.43), equaling the lesser of $3,000 per month or 100% of PITIA (and in all cases, subject to the HHF Program maximum benefit cap of $50,000 with respect to monies previously received under other HHF Programs, if any).
10. Duration of Assistance	Borrower participation in UMA is limited to six (6) months maximum.

11. Estimated Number of Participating Households	Approximately 34,951. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $14,455.43.
12. Program Inception / Duration	UMA will be available to borrowers no later than November 1, 2010 and will last up to three (3) years or until funding is fully reserved.
13. Program Interactions with Other HFA Programs	UMA will serve as a gateway to borrower programs aimed at reinstatement and principal reduction.
14. Program Interactions with HAMP	This benefit may precede or extend HAMP, including HAMP UP for temporary unemployment assistance which when combined may provide assistance for up to one year. HAMP UP currently offers a minimum of three months and up to six months for some borrowers.
15. Program Leverage with Other Financial Resources	The applicable servicer/lender is required to complement UMA assistance with a written approved forbearance plan for a period no less than three (3) months PITIA. CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).
16. Qualify as an Unemployment Program	☑ Yes ☐ No

SCHEDULE B-2

California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Mortgage Reinstatement Assistance Program (MRAP) is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes but are in imminent danger of losing their home to foreclosure. MRAP provides funds to assist income-qualified borrowers to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure.
2. Program Goals	The MRAP program will prevent avoidable foreclosures by helping borrowers reinstate their past due first mortgage loans. MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of borrowers who otherwise may not qualify for modification.
3. Target Population / Areas	MRAP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$129,400,000.00

5. Borrower Eligibility Criteria	• Borrower must qualify as a low-to-moderate income household, as follows:
	    o Low-to-moderate income of 120% or less of the Area Median Income in the county where borrower resides.
	    o A loan financed in whole or in part by bonds that are tax-exempt under IRC section 143, the borrower is presumed to satisfy income limits.
	• Borrower must complete and sign a Hardship Affidavit and 3rd Party Authorization documenting the reason for the hardship.
	• Borrowers who have recently encountered a financial

	hardship due to their military service. • Borrower has adequate income to sustain modified mortgage payments per lender guidelines. • Borrower must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC. • Mortgage loan is delinquent or at risk of imminent default as substantiated by borrower's hardship documentation. Loans in foreclosure are eligible. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property / Loan Eligibility Criteria	• Property is encumbered by a first lien mortgage loan that was originated on or before January 1, 2009. • Current unpaid principal balance (UPB) of the first lien mortgage loan is not greater than $729,750 (GSE conforming limit for a one-unit property). • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, one-unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.

7. Program Exclusions	• Borrower owns other real property.
	• Borrower's "hardship" is a result of voluntary resignation of employment.
	• Borrower consummated a "cash-out" refinance of the subject first lien mortgage property.
	    o Refinancing for the sole purpose of obtaining a new interest rate and loan term is permissible.
	    o Costs associated with the first mortgage refinance may be financed in the new loan.
	    o Junior liens used to purchase the subject property first mortgage property are not excluded from eligibility.
	• Stand-alone second liens including home equity lines of credit are considered "cash-out." Borrowers with junior liens that meet this description are not eligible for program

	assistance.
8. Structure of Assistance	In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (3) three years, the subordinate loan will be forgiven provided the loan remains in good standing and the borrower complies with program guidelines. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or refinance with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury. If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the HHF Program assistance provided to the borrower, then the assistance is not required to be structured as a loan to the borrower. After December 31, 2017, any remaining or returned funds will be returned to Treasury.
9. Per Household Assistance	Up to $15,000 per household (average funding of $7,484.15) or 50% of PITIA arrearages, whichever is less (and in all cases, subject to the HHF Program maximum benefit cap of $50,000 with respect to monies previously received under other HHF Programs, if any).
10. Duration of Assistance	Available on a one-time only basis, per household.
11. Estimated Number of Participating Households	Approximately 17,290. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $7,484.15.
12. Program Inception / Duration	MRAP will be available to borrowers no later than November 1, 2010 and will last up to three (3) years or until funding is fully reserved.
13. Program Interactions with Other HFA Programs	MRAP will serve as a gateway to other loss mitigation programs including loan modification which may include principal reduction, including other HHF Programs and the Principal Reduction Program.
14. Program Interactions with HAMP	MRAP will serve as a gateway to HAMP which may include principal reduction of borrower's mortgage.

15. Program Leverage with Other Financial Resources	The goal of the program is for the applicable servicer/lender to match MRAP funds on a dollar-for-dollar basis. The matching funds will be paid no later than at the time of CalHFA MAC program funding. CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

SCHEDULE B-3

California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	The Principal Reduction Program (PRP) is one of CalHFA MAC's federally-funded programs developed with a goal to provide capital on a dollar-for-dollar matching basis with participating lenders to reduce over a three-year period the outstanding principal balances of qualifying properties with negative equity. PRP will provide monies to reduce the principal balance of the first mortgage loan for the purpose of establishing an appropriate level of debt for eligible borrowers with qualifying properties.
2. Program Goals	The PRP program will, in cooperation with participating lenders, leverage the HHF dollars by reducing the principal balances of underwater mortgages and provide an incentive for qualifying homeowners to remain in their homes during this period of steep declines in value. A reduction in principal through PRP can achieve desired income ratios and affordability for a borrower on the existing mortgage loan or can be used in conjunction with a loan modification.
3. Target Population / Areas	PRP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$420,729,999.00

5. Borrower Eligibility Criteria	• Borrower must qualify as a low-to-moderate income household, as follows:
	  o Low-to-moderate income of 120% or less of the Area Median Income in the county where borrower resides.
	  o A loan financed in whole or in part by bonds that are tax-exempt under IRC section 143, the borrower is presumed to satisfy income limits.
	• Borrower must complete and sign a Hardship Affidavit and 3rd Party Authorization documenting the reason for the hardship.

	• Borrowers who have recently encountered a financial hardship due to their military service. • Borrower has adequate income to sustain modified mortgage payments per lender guidelines. • Borrower must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC. • Mortgage loan is delinquent or at risk of imminent default as substantiated by borrower's hardship documentation. Loans in foreclosure are eligible. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property / Loan Eligibility Criteria	• Property is encumbered by a first lien mortgage loan that was originated on or before January 1, 2009. • Current unpaid principal balance (UPB) of the first lien mortgage loan is not greater than $729,750 (GSE conforming limit for a one-unit property). • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, one-unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.

7. Program Exclusions	• Borrower owns other real property.
	• Borrower's "hardship" is a result of voluntary resignation of employment.
	• Borrower fails to satisfy lender underwriting guidelines, including a LTV of 120% or less.
	• Borrower consummated a "cash-out" refinance of the subject first lien mortgage property.
	    o Refinancing for the sole purpose of obtaining a new interest rate and loan term is permissible.
	    o Costs associated with the first mortgage refinance may be financed in the new loan.
	    o Junior liens used to purchase the subject property first mortgage property are not excluded from eligibility.

	• Stand-alone second liens including home equity lines of credit are considered "cash-out." Borrowers with junior liens that meet this description are not eligible for program assistance.
8. Structure of Assistance	In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (3) three years, the subordinate loan will be forgiven provided the loan remains in good standing and the borrower complies with program guidelines. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or refinance with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury. If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the HHF Program assistance provided to the borrower, then the assistance is not required to be structured as a loan to the borrower. After December 31, 2017, any remaining or returned funds will be returned to Treasury.
9. Per Household Assistance	Up to $50,000 per household (average funding of $31,449.58), less program monies previously received under other HHF Programs.
10. Duration of Assistance	Available on a one-time only basis, per household.
11. Estimated Number of Participating Households	Approximately 13,378. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $31,449.58.
12. Program Inception / Duration	PRP will be available to borrowers no later than November 1, 2010 and will last up to three (3) years or until funding is fully reserved.
13. Program Interactions with Other HFA Programs	PRP may be used in conjunction with MRAP aimed at reinstatement.
14. Program Interactions with HAMP	PRP may work in conjunction with a standard HAMP modification to help eligible borrowers achieve desired income ratios and affordability. PRP may not be combined or used in conjunction with the HAMP Principal Reduction Alternative (PRA). PRP layering with HAMP PRA is strictly prohibited. PRP funds are not eligible in any combination to qualify for HAMP PRA investor incentive

	compensation.
15. Program Leverage with Other Financial Resources	The goal of the program is for the applicable servicer/lender to match PRP funds on a dollar-for-dollar basis. The servicer/lender's matching funds will be paid no later than at the time of CalHFA MAC program funding. CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees at the time the modification agreement is completed
16. Qualify as an Unemployment Program	☐ Yes ☑ No

SCHEDULE B-4

California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

THE TRANSITION ASSISTANCE PROGRAM

Summary Guidelines

1. Program Overview	The Transition Assistance Program (TAP) is one of CalHFA MAC's federally-funded programs developed to provide eligible homeowners with transition assistance when it is determined that they can no longer afford their home. TAP will be used in conjunction with short sale and deed-in-lieu programs to help borrowers make a smooth transition to housing. Borrowers will be required to occupy and maintain the property until the home is sold or returned to the lender as negotiated. Program funds would be available on a one-time only basis up to $5,000 per household and can be used or layered with other CalHFA MAC HHF Programs. No funds will go directly to the borrower. All funds will be sent to the Servicer subject to Servicer/Investor approval of short sale or deed-in-lieu of foreclosure. Funds are intended to help the borrower secure new housing (e.g., rent, moving expenses, and security deposits) and will be available for transition assistance counseling services.
2. Program Goals	CalHFA MAC envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to borrowers who have suffered a financial hardship and as a result are no longer financially able to afford their mortgage payments.
3. Target Population / Areas	TAP is designed to target low-to-moderate income homeowners and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties.
4. Program Allocation (Excluding Administrative Expenses)	$32,300,000.00

5. Borrower Eligibility Criteria	• Borrower must qualify as a low-to-moderate income household, as follows:
	  o Low-to-moderate income of 120% or less of the Area Median Income in the county where borrower resides.
	  o A loan financed in whole or in part by bonds that are

	tax-exempt under IRC section 143, the borrower is presumed to satisfy income limits. • Borrower must complete and sign a Hardship Affidavit and 3rd Party Authorization documenting the reason for the hardship. • Borrowers who have recently encountered a financial hardship due to their military service. • Borrower must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC. • Mortgage loan is delinquent or at risk of imminent default as substantiated by borrower's hardship documentation. Loans in foreclosure are eligible. • General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the borrower. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions. • Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.
6. Property / Loan Eligibility Criteria	• Property is encumbered by a first lien mortgage loan that was originated on or before January 1, 2009. • Current unpaid principal balance (UPB) of the first lien mortgage loan is not greater than $729,750 (GSE conforming limit for a one-unit property). • The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair. • The subject property is the borrower's principal residence and the property is located in California. • The applicant must own and occupy the single family, one-unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence.

7. Program Exclusions	• Borrower owns other real property.
	• Borrower consummated a "cash-out" refinance of the subject first lien mortgage property.
	  o Refinancing for the sole purpose of obtaining a new interest rate and loan term is permissible.
	  o Costs associated with the first mortgage refinance may be financed in the new loan.
	  o Junior liens used to purchase the subject property first mortgage property are not excluded from eligibility.
	• Stand-alone second liens including home equity lines of credit are considered "cash-out." Borrowers with junior liens that meet this description are not eligible for program assistance.

8. Structure of Assistance	TAP assistance will not be structured as a loan. After December 31, 2017, any remaining or returned funds will be returned to Treasury.
9. Per Household Assistance	Up to $5,000 per household (average funding of $5,000.00).
10. Duration of Assistance	Available on a one-time only basis, per household.
11. Estimated Number of Participating Households	Approximately 6,460. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $5,000.00.
12. Program Inception / Duration	TAP will be available to borrowers no later than November 1, 2010 and will last up to three (3) years or until funding is fully reserved.
13. Program Leverage with Other HFA Programs	TAP benefits may be available to the borrower even if UMA, MRAP and/or PRP benefits have been utilized, subject to the HHF Program maximum benefit cap of $50,000.
14. Program Interactions with HAMP	TAP complements HAMP and HAFA. The funds will leverage monies being made available through HAFA. Servicer is required to follow HAFA guidelines for allowable costs. In cases where the Servicer has approved the borrower for a HAFA transaction, TAP dollars will be limited to $2,000 in order to maintain the $5,000 HHF Program maximum per household.
15. Program Leverage with Other Financial Resources	None.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

SCHEDULE C

PERMITTED EXPENSES

	California
One-time / Start-Up Expenses:	
Initial Personnel	$304,453.29
Building, Equipment, Technology	$109,254.56
Professional Services	$2,841,658.00
Supplies / Miscellaneous	$25,500.00
Marketing /Communications	$212,941.36
Travel	$27,500.00
Website development /Translation	$0.00
Contingency	$3,681,530.44
Subtotal	**$7,202,837.65**
Operating / Administrative Expenses:	
Salaries	$2,611,419.00
Professional Services (Legal, Compliance, Audit, Monitoring)	$51,211,989.00
Travel	$178,750.00
Buildings, Leases & Equipment	$219,744.00
Information Technology & Communications	$199,370.00
Office Supplies/Postage and Delivery/Subscriptions	$59,500.00
Risk Management/ Insurance	$65,200.00
Training	$0.00
Marketing/PR	$435,000.00
Miscellaneous	$90,000.00
Subtotal	**$55,070,972.00**
Transaction Related Expenses:	
Recording Fees	$9,407,169.60
Wire Transfer Fees	$2,937,285.00
Counseling Expenses	
File Intake	$10,500,000.00
Decision Costs	$3,071,016.00
Successful File	$0.00
Key Business Partners On-Going	$0.00
Subtotal	**$25,915,470.60**
Grand Total	**$88,189,280.25**
% of Total Award	**7.50%**
Award Amount	**$1,175,857,070.00**