SECOND AMENDMENT TO

COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
and
HFA PARTICIPATION AGREEMENT

This Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Second Amendment") is entered into as of the date set forth on Schedule A attached hereto as the Second 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, as previously amended by that certain First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "First Amendment"; and together with the Original HPA as amended thereby, the "Current HPA"), dated as of the First Amendment Date, all as 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, on September 24, 2010 Treasury indicated that it would make $3.5 billion of additional assistance available under the HHF Program for foreclosure prevention programs for homeowners struggling to make their mortgage payments in certain states that had previously received HHF Program funding for such purposes;

WHEREAS, Treasury desires to increase the available HHF Program funds available to Eligible Entity and as such, Treasury, HFA and Eligible Entity wish to enter into this Second Amendment to document all modifications and additional provisions necessary to address the additional HHF Program funds;

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 Second Amendment; and all references in the

Current HPA to Schedules A or B shall mean the Schedules A or B attached to this Second Amendment. All references herein to the "HPA" shall mean the Current HPA, as further amended by this Second 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 Second 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 Second 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 Second Amendment and any other closing documentation delivered to Treasury in connection with this Second 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 Second Amendment and any other closing documentation delivered to Treasury in connection with this Second Amendment, and to perform its obligations hereunder and thereunder.

3. Administrative Expenses

Notwithstanding anything to the contrary contained in the Current HPA as amended by this Second Amendment, HFA and Eligible Entity may from time to time submit adjusted budgets to Treasury requesting approval to re-allocate HHF Funds to pay actual program expenses as set forth on a proposed Schedule C. In the event that Treasury shall approve an adjusted budget, in Treasury's sole discretion, the parties shall enter into an amendment to the HPA to modify Schedules A, B and C as necessary.

4. Miscellaneous

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

HFA:

NEVADA HOUSING DIVISION

By: /s/ Charles L. Horsey
Name: Charles L. Horsey
Title: Administrator

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

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

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

By: /s/ Lon A. DeWeese
Name: Lon A. DeWeese
Title: Secretary / Treasurer

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

HFA:

NEVADA HOUSING DIVISION

By: ____________________________

Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

By: Herbert M. Allison

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

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

By: ____________________________

Name:
Title:

EXHIBITS AND SCHEDULES

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	Nevada Affordable Housing Assistance Corporation
Corporate or other organizational form:	Non-profit corporation
Jurisdiction of organization:	Nevada
Notice Information:	

HFA Information:

Name of HFA:	Nevada Housing Division[1]
Organizational form:	A Division of the Nevada Department of Business and Industry of the State of Nevada
Date of Application:	April 16, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	

Program Participation Cap: $ 194,026,240.00

[1] See attached Schedule A-1 that is attached to, and forms a part of this Second Amendment.

Portion of Program Participation Cap <u>Representing Original HHF Funds</u>:	$ 102,800,000.00
Portion of Program Participation Cap <u>Representing Unemployment HHF Funds</u>:	$ 34,056,581.00
<u>Permitted Expenses</u>:	$ 18,359,784.00
<u>Closing Date</u>:	June 23, 2010
<u>First Amendment Date</u>:	September 23, 2010
<u>Second Amendment Date</u>:	September 29, 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 A-1

The following shall constitute additional and/or modified terms to the Second Amendment and are hereby incorporated into the Second Amendment.

1. Section 3 of the Second Amendment is replaced with the following:

Administrative Expenses Notwithstanding anything to the contrary contained in the Current HPA as amended by this Second Amendment, Eligible Entity may from time to time submit adjusted budgets to Treasury requesting approval to re-allocate HHF Funds to pay actual program expenses as set forth on a proposed Schedule C. In the event that Treasury shall approve an adjusted budget, in Treasury's sole discretion, the parties shall enter into an amendment to the HPA to modify Schedules A, B and C as necessary.

2. Ratification

Except as herein modified and amended, the terms and conditions of the Second Amendment, including the Schedules and Exhibits included as a part thereof, and all of the documents executed with respect to the foregoing are hereby ratified and affirmed and shall remain in full force and effect. All references in any of the foregoing to the "Second Amendment" shall be deemed to refer to the Second Amendment, including the Schedules and Exhibits included as a part thereof, as further modified and amended by this Schedule A-1.

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

The Nevada Affordable Housing Assistance Corporation

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	To ensure that nearly 2,500 Nevada families are able to stay in their homes with a permanent change to their mortgages via principal reductions which will provide qualified homeowners a principal reduction of up to $25,000, with a 1:1 match from the note holder if possible. The 1st Mortgage Principal Reduction Program will assist the underemployed, income restricted homeowner candidates to keep occupancy and ownership of their home.
2. Program Goals	The primary goal is to reduce first mortgage principal balances with respect to at least 2,500 homeowners throughout the State of Nevada such that their loan to value ratios are reduced to 115% or less and correspondingly, the PITI payment reduced to 31% or less of the homeowner's gross income.
3. Target Population / Areas	The funding will be distributed via a geographic formula of 1/3+1/3+1/3 weight for unemployment + foreclosure rate + population. There will be target population segmentation into (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada. Where a finer breakdown is possible within each of the three geographic areas, zip code and census track targeting will be utilized.
4. Program Allocation (Excluding Administrative Expenses)	$115,731,738.89

5. Borrower Eligibility Criteria	• Legal US Resident.
	• Resident in Nevada 5 years in same dwelling.
	• Any cash out borrowing in past five years must be limited to:
	    • Home improvement - real, not personal property classification.
	    • Medical bills - documented.
	    • Paying off existing revolving debt - documented.
	• Current income does not exceed 120% of Area Median Income (2010).
	• Borrower must be facing eminent default, if delinquent cannot be more than 6 months maximum - target to be 3 months maximum.
	• Delinquency based on a financial hardship due to circumstances beyond the homeowner's control (no contrived defaults allowed).

	Borrower will be required to provide a financial Hardship Affidavit attesting to their inability to make mortgage payments. Eligible hardships to include but not limited to the following: • Underemployment. • Illness, disability or death of wage earner in family in possession. • Divorce or legal separation. Eligibility criteria will be analyzed either on-line by the borrower's visit to the web site and using the 'screening tool' or directly at the intake portal of the contract agents (foreclosure mitigation and mediation agencies). If applicants meet screening criteria, application packages will be assembled and forwarded onto the NAHAC underwriters who will do the full verifications/confirmation and begin the relationship with the participating banks/lenders/servicers to work through the calculation of aid levels. Funding will be provided on a first come-first-served basis within each geographical zone. Daily monitoring of funding commitments/pipelines by zone will allow sufficient trend evidence to allow for sufficient lead time to 'cut-off' further funding commitments that might exceed available resources.
6. Property / Loan Eligibility Criteria	• Owner occupied. • Must have only one existing mortgage. • Principal balance must not exceed 115% based upon current appraisal following principal balance reduction nor PITI exceed 31%. • Current mortgage cannot be secured by one of the following entities FHA/VA, Fannie Mae, Freddie Mac if the existing loan qualifies for one of those entities existing programs (direct lender program option must be exhausted first). • All modified mortgages will be changed to fixed rate 30 year or longer mortgages. The higher Targeted Area limit calculation will be utilized (115% of area median). Thus, per the HUD Procedure, the maximum mortgage limits would be: • Clark County: $427,184 • Reno/Sparks SMSA: $431,189 • Rural Nevada Areas: $347,087
7. Program Exclusions	• Having failed a HAMP loan temporary period by voluntary non-compliance, as determined by Eligible Entity. • Borrowers who took out 2nd liens for reasons other than those listed above under the Borrower Eligibility Criteria.

8. Structure of Assistance	Assistance will be structured as a forgivable loan in favor of the Eligible Entity secured by a junior lien recorded against the property. Borrowers who follow through and earn the loan forgiveness will not be required to repay their principal reduction loans. The earned forgiveness loan will amortize on a straight-line basis of 1/36 per month. A recapture of up to 20% of the note will be invoked in the event the home is sold in months 37 through 60 post-closing of the recast mortgage. The recapture provision will self extinguish on the first day of the 61st month.
9. Per Household Assistance	The maximum amount receivable by a qualified borrower is $25,000 assuming a $1:$1 match is occurring from the banks or GSEs. The median amount is expected to be close to the maximum (skewed right poisson distribution) amount. It is possible that there could be a bimodal distribution. Thus, if there are numerous HAMP fails of under $10,000 that this level of assistance or less represents a large (disproportionate) share of the distribution of aid in the principal reduction program. Therefore, in this scenario there will be a large portion under $10,000 and a large portion of applicants at the full $25,000 level and very few in between.
10. Duration of Assistance	Borrower participation in Program is a one time payment.
11. Estimated Number of Participating Households	Assuming a $1 for $1 level of matching principal reduction assistance is achieved in conjunction with the loan servicers, approximately 2,468 households could be assisted under this Program. Should there be the bi-model distribution (as referenced in #9 above) the number of households assisted could exceed 5,000.
12. Program Inception / Duration	The planned implementation will be directly impacted by the time needed to secure agreements/contracts for lender matching and could take up to 75 days from the approval of the program to have agreements in place and begin flowing clients through the screening process. This Program could last up to 24 months.
13. Program Interactions with Other HFA Programs	The 1st mortgage principal reduction program is aimed at the underemployed population of income qualified/limited home owners, not the unemployed. Thus, it is possible that a homeowner could receive a 1st mortgage principal reduction through this Program and then subsequently lose their job and eventually need a short-sale assistance program through another NAHAC HHF Program.
14. Program Interactions with HAMP	NAHAC expects an active interface with the HAMP program. During the ‘in-take’ process, the applicants will be screened for HAMP eligibility and where it is indicated that a borrower would be eligible, they will channeled into a HAMP loan modification. Where there is a

	HAMP failure of <=$10,000 or less, then this program element will be accessed to accommodate the HAMP 'pass'. Additionally, if someone does not qualify for a HAMP or has a 'fails' >=$10,000 then the applicant will be directed into the regular HAFA program. If the applicant needed added HAFA type of assistance, then NAHAC's Short-Sale program will be utilized. It is also quite possible that a homeowner may receive a 2^{nd} lien reduction and subsequently qualify for either a HAMP modification in need of supplementation or a regular 1^{st} mortgage principal reduction program.
15. Program Leverage with Other Financial Resources	Nevada will endeavor to get applicable servicer/lenders to match on a $1 for $1 basis. This programmatic goal will form the basis of all servicer agreements if possible. However, if the servicer/lender is unable to agree to a $1 for $1 arrangement, a lesser match may be acceptable. The matching funds will be provided at closing. Nevada will also request that the loan servicer waive certain fees like late charges, delinquency fee and penalties and recast the principal reduced loan and participate in its recordation.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

SERVICE SCHEDULE B-2

The Nevada Affordable Housing Assistance Corporation

SECOND MORTGAGE REDUCTION PLAN

Summary Guidelines

1. Program Overview	The Second Mortgage Reduction Plan is aimed at assisting borrowers who have a second lien interfering with either a short-sale or modification of the first mortgage. The expected applicant pool is believed to be both unemployed and underemployed families.
2. Program Goals	The expected outcome of this program is to assist up to 1,200 families remove the impediment of a second lien on their property such that either a refinancing or first mortgage modification can be carried out and thus prevent a foreclosure.
3. Target Population / Areas	The funding will be distributed via a geographic formula of 1/3+1/3+1/3 weight for unemployment + foreclosure rate + population. There will be target population segmentation into (a) the Clark County/Las Vegas valley area, (b) the Reno-Sparks SMSA area and (c) all of rural Nevada. Where a finer breakdown is possible within each of the three geographic areas, zip code and census track targeting will be utilized.
4. Program Allocation (Excluding Administrative Expenses)	$19,702,671.81

5. Borrower Eligibility Criteria	• Legal US Resident.
	• Resident in Nevada 5 years in same dwelling.
	• Any cash out borrowing in past five years must be limited to:
	    • Home improvement - real, not personal property classification.
	    • Medical bills - documented.
	    • Paying off existing revolving debt -documented.
	• Current income does not exceed 120% of Area Median Income (2010).
	• Borrower must be facing eminent default, if delinquent cannot be more than 6 months maximum - target to be 3 months maximum.
	• Delinquency based on a financial hardship due to circumstances beyond the homeowner's control (no contrived defaults allowed). Borrower will be required to provide a financial Hardship Affidavit attesting to their inability to make mortgage payments. Eligible hardships to include but not limited to the following:

	• Underemployment. • Illness, disability or death of wage earner in family in possession. • Divorce or legal separation. Eligibility criteria will be analyzed either on-line by the borrower's visit to the web site and using the 'screening tool' or directly at the intake portal of the contract agents (foreclosure mitigation and mediation agencies). If applicants meet screening criteria, application packages will be assembled and forwarded onto the NAHAC underwriters who will do the full verifications/confirmation and begin the relationship with the participating banks/lenders/servicers to work through the calculation of aid levels. Funding will be provided on a first come-first-served basis within each geographical zone. Daily monitoring of funding commitments/pipelines by zone will allow sufficient trend evidence to allow for sufficient lead time to 'cut-off' further funding commitments what might exceed available resources.
6. Property / Loan Eligibility Criteria	• Owner occupied. • Must have only one existing mortgage and a 2nd lien. • Principal balance must not exceed 115% based upon current appraisal following principal balance reduction nor PITI exceed 31%. • All 2nd liens obtaining relief through this program element will have an accompanying lien release and waiver of deficiency judgment rights. • The maximum 2nd lien size eligible for relief under this program element must be equal to or less than $41,250. • First mortgage must be per HUD Rev Procedure 2009-18. The higher Targeted Area limit calculation will be utilized (115% of area median).
7. Program Exclusions	• Borrowers who took out 2nd liens for reasons other than those listed above under the Borrower Eligibility Criteria. • If a second lien exceeds the program limit of $41,250 or program contribution of >$16,500 then the borrower would be ineligible.
8. Structure of Assistance	Assistance will be structured as a forgivable loan in favor of the Eligible Entity secured by a junior lien recorded against the property. Borrowers who follow through and earn the loan forgiveness will not be required to repay their principal reduction loans. The earned forgiveness loan will amortize on a straight-line basis of 1/36 per month. A recapture of up to 20% of the note will be invoked in the event the home is sold in months 37 through 60 post-closing of the recast mortgage. The recapture

	provision will self extinguish on the first day of the 61st month.
9. Per Household Assistance	The maximum amount of 2nd mortgage lien relief from the program will be $16,500 toward removal of liens whose value is <=$41,250.
10. Duration of Assistance	The 2nd lien elimination program will be a one time payment program.
11. Estimated Number of Participating Households	It is estimated that up to 1,246 applicants/families could receive 2nd lien relief under this program. If the level of lender participation exceeds 60% versus the program's 40% or the average program funding level averages less than the maximum of $16,500 in necessary funding to create the 2nd lien relief, then there could be an increase in the number of borrowers assisted.
12. Program Inception / Duration	The Principal Reduction Program will be available to borrowers within 3 months after approval by Treasury and could last up to 2 years, with an outside date of July 30th 2012.
13. Program Interactions with Other HFA Programs	None.
14. Program Interactions with HAMP	The program will have an active interface with the HAMP program. During the 'in-take' process with the foreclosure mitigation/mediation agencies, the applicants will be screened for HAMP eligibility and where it is indicated that a borrower would be eligible, they will channeled into a HAMP loan modification. If the applicant needs 2nd lien relief in order to effectuate a HAMP or 1st mortgage principal reduction program process then the 2nd lien relief element will be utilized. NAHAC wishes to supplement and complement the federal programs and where needed to create added funds flow to ensure long term solutions to the borrower's need.
15. Program Leverage with Other Financial Resources	The basis of the 2nd lien relief program is to 'free up' the first mortgage note holder to complete the necessary modification to keep the borrower current and in their home. In order to leverage the 2nd lien relief funds, the program requires participating lenders to contribute $0.60 for each $0.40 contributed by this program. Additionally, if the lending institution whose 2nd lien is being relieved also holds the 1st mortgage, they (note holder) would have to contribute $0.50 to each dollar of 1st mortgage principal relief from NAHAC's other HHF programs. The matching funds will be provided at closing.
16. Qualify as an	☐ Yes ☑ No

Unemployment Program	

SERVICE SCHEDULE B-3

The Nevada Affordable Housing Assistance Corporation

SHORT-SALE ACCELERATION PROGRAM

Summary Guidelines

1. Program Overview	The Short-Sale Acceleration Program is aimed at assisting borrowers who are beginning or need to initiate the short-sale process to relieve themselves of the mortgage burdens that they cannot sustain—even with a material loan principal reduction.
2. Program Goals	It is expected that at a $8,025 level of average funding per family assisted up to 1,371 families facing immanent foreclosure threat due to unemployment, will have the burden of their home mortgage eliminated and the threats of a default judgment removed.
3. Target Population / Areas	Unemployed population of Nevada (189,000 in February or 13.9% level) who are facing eminent threat of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	$6,175,464.30

5. Borrower Eligibility Criteria	• Legal US Resident.
	• Resident in Nevada 5 years in same dwelling.
	• Any cash out borrowing in past five years must be limited to:
	    • Home improvement - real, not personal property classification.
	    • Medical bills - documented.
	    • Paying off existing revolving debt - documented.
	• Borrower must have short-sale agreement in place with lender.
	• Borrower must have been enrolled in Unemployment Insurance Program (UIP) with State of Nevada.
	• Borrower must have home listed for sale and listing agreement.
	• Borrower will be required to provide a financial Hardship Affidavit attesting to their inability to make mortgage payments.

6. Property / Loan Eligibility Criteria	• Owner occupied. • Must have only one existing mortgage. • Borrower/family must be committed to living in a rental property from the eligible list of participating properties provided and execute a 6 month or longer lease at the close of the home sale transaction.
7. Program Exclusions	• Borrowers completing a short-sale but unwilling/unable to stay in Nevada due to job opportunities elsewhere. • Borrowers who took out 2^{nd} liens for reasons other than those listed above under the Borrower Eligibility Criteria.
8. Structure of Assistance	This program is direct assistance through direct payment to vendors at closing of the escrow. The payments will not be structured as a loan.
9. Per Household Assistance	The maximum is $8,025 paid out to a qualified family in this short sale program.
10. Duration of Assistance	The Short-Sale Acceleration program element in the NAHAC Business Plan is expected to last up to 24 months. Due to current economic projections showing double digit unemployment rates in Nevada through the 3^{rd} quarter of 2013, it is expected that this program will simply exhaust its funding or be unable to accept more applicants by the end of the 24^{th} month.
11. Estimated Number of Participating Households	The Business Plan calls for this program element to assist up to 1,371 families complete their home abandonment/ownership through a short sale and matriculate to a rental property somewhere else in Nevada.
12. Program Inception / Duration	The Short Sale Acceleration Program will be available to borrowers within 3 months after approval by Treasury and will last up to 2 years.
13. Program Interactions with Other HFA Programs	To the fullest extent possible, absent specific federal program prohibitions/limitations, the Short-Sale Acceleration Program element will build on or utilize the H.A.F.A. program in parallel. If it is possible to utilize both the federal H.A.F.A. program funds underneath the Short-Sale Acceleration Program funds, then the number of possible candidates assisted through the painful short-sale process would increase beyond the projected 1,371.
14. Program Interactions with HAMP	The candidates for the Short-Sale Acceleration program will have been through a HAMP or similar private bank or GSE loan modification process and 'failed' by a sufficiently material level to not even qualify for NAHAC's 1^{st} mortgage Principal Reduction Program. Thus, the data/processes will show factually that the only realistic result for the borrower is the short-sale.

15. Program Leverage with Other Financial Resources	See 13 above. No additional leverage.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

SERVICE SCHEDULE B-4

The Nevada Affordable Housing Assistance Corporation

MORTGAGE ASSISTANCE PROGRAM (MAP)

Summary Guidelines

1. Program Overview	The Nevada Mortgage Assistance Program (MAP) is designed to help keep first mortgages current for up to 11,352 families who have an unemployed wage earner. The program will assist those qualified families by making up to the lesser of 1/3 of the principal and interest portion or a $500 payment supplement to the family's monthly principal and interest portion of the first mortgage payment only. The property taxes and insurance amounts due and owing will remain fully a borrower's responsibility and are not part of the MAP supplement. MAP payments may be extended for qualified families for up to 6 months. The MAP payments are aimed at providing a financial bridge to those unemployed persons who are attempting to upgrade their work skills. The payments/mortgage supplements are aimed directly at unemployed persons who are enrolled in either a special skills training program, an institution of higher education or other professional retraining program aimed at increasing the marketability of the unemployed person's job skills. Applicants will be assessed for their ability and likelihood for being able to find timely re-employment soon after the payment supplements end. Borrowers will submit their partial payment to the Nevada Affordable Housing Assistance Corporation (NAHAC) where it will be combined with the HHF funds and a full remittance made to the loan servicer for the loan. Borrowers can be enrolled either through participating lenders/servicers who have received special training or directly through the NAHAC offices after first completing an appropriate screening tool and being given an appointment with the NAHAC loan underwriter. MAP payments will invoke a non-recourse lien which will have an earned forgiveness embedded in the Note. Borrowers who are able to sustain their homeownership for 60 successive months following the end of the MAP payments will have their lien extinguished. NAHAC intends to retain/set aside 1% of the total direct support funds for contingency situations, wherein certain recipients may be in need of one-two months (maximum) of added support payment while their training programs are completed. These exceptional cases must be approved by the NAHAC Board of Directors after evidence of eminent re-employment contingent upon completion of a training program documented. If the contingency is not needed as program capacity is

	reached, the contingency funds will be put into the normal available funds for the MAP program. Further, the contingency will be reduced pro rata to total MAP program capacity over time so that as the program reaches 60% of capacity without use of any contingency funds, then 60% of the contingency will be released back into the main MAP fund.
2. Program Goals	The MAP program's goal is to increase the probability that a borrower and/or recipient's family has a stronger chance of sustaining homeownership with the assistance from the HHF program. This outcome would be due to the increased chances of being rehired with newly enhanced skills which are obtained during mortgage payment bridging period. It is hoped that qualified recipients will have assessed their current job skills and the chances of rapid re-employment and determined to take affirmative steps to upgrade their job skills in such a way that their re-employment chances are enhanced. Thus, their ability to keep and sustain current homeownership will be greatly improved in the long run. The enhanced home ownership through re-employment and job maintenance should decrease both the numbers and probability of foreclosures.
3. Target Population / Areas	The State of Nevada is currently enduring the USA's highest unemployment rate in its workforce. However, the highest levels of unemployed persons in Nevada are primarily centered in the two urban areas (Clark County/Las Vegas area and Reno/Sparks MSA) versus the rural agricultural and mining areas. With the assistance of the Nevada Department of Employment, Training and Rehabilitation's ("DETR") published data, MAP funds will be allocated on a pro-rata basis to jurisdictions based on a ratio of actual number of unemployed to total State-wide unemployed as a general allocation matter. However, a quarterly assessment will be undertaken to ensure allocations of remaining funds are representative of changes to the unemployed populations in all jurisdictions. Nevada's MAP program will be targeting the unemployed population that is working to upgrade their job-market skills in ways that most likely will lead to re-employment shortly after the end of the MAP assistance.
4. Program Allocation (Excluding Administrative Expenses)	$34,056,581.00
5. Borrower Eligibility Criteria	To ensure both consistencies with previously approved Participation Agreement programs and to lessen the burdens of administering the MAP program, adherence to the same underwriting qualification standards will be generally utilized. Thus, Applicant Eligibility

	Criteria will consist of: • Legal US Resident. • Resident in Nevada 5 years in same dwelling. • Current income does not exceed 120% of Area Median Income (2010). • Applicant must be facing eminent default. • Applicant must be experiencing financial hardship due specifically to unemployed status which must be verified via the Nevada Department of Employment, Training and Rehabilitation. • Applicant will be required to provide a financial Hardship Affidavit attesting to their inability to make mortgage payments. • Applicant must be currently enrolled or will be enrolled during the period of assistance, in a viable retraining, new skills training or academic program that creates new or upgraded job skills. New training must relate specifically to making applicant able to be employed in a short-period of time following assistance and therefore sustain homeownership going forward. Basic eligibility criteria will be analyzed either on-line by the applicant's visit to the web site and using the 'screening tool' or directly at the NAHAC offices. If applicants meet screening criteria, application packages will be assembled by the NAHAC underwriters who will do the full verifications/confirmation, enter the applicant's data into the NAHAC database and accounts payable systems and begin the relationship with the borrower's participating banks/lenders/servicers to ensure aid is acceptable to them.
6. Property / Loan Eligibility Criteria	• Owner occupied. The higher Targeted Area limit calculation will be utilized (115% of area median). Thus, per the HUD Procedure, the maximum mortgage limits would be: a. Clark County: $427,184 b. Reno/Sparks SMSA: $431,189 c. Rural Nevada Areas: $347,087
7. Program Exclusions	• Having failed a HAMP loan temporary period by voluntary non-compliance, as determined by Eligible Entity.
8. Structure of Assistance	All MAP program assistance will be structured as a 0% interest, forgivable nonrecourse loan, secured by a junior lien recorded against the property, which will be forgiven over a period of time not to exceed 5 years. The loans will only be repayable if the borrower sells the property before the 60 month time period expires and there is sufficient equity to pay the loan. All MAP provided funds returned to

	program may be recycled until U.S. Treasury imposed deadline of December 31, 2017. Thereafter they will be returned to Treasury. The MAP assistance will be as an 'earned forgiveness' loan that is forgiven 20% each year.
9. Per Household Assistance	The planned MAP program level of assistance should average approximately $500/month per recipient for up to 6 months or an expected average mortgage payment assistance of $3,000.
10. Duration of Assistance	The MAP assistance will last the lesser of 6 months or up to 2 months after reemployment.
11. Estimated Number of Participating Households	Based upon average assistance of $3,000 then the expected number of potential recipients should be approximately 11,352. However, this number may be decreased slightly if the contingency funds described in Section 1 are utilized for such purpose.
12. Program Inception / Duration	Approximately 45 days after final U.S. Treasury approval. Given the program limit of six months worth of assistance, this means that the full utilization of MAP program funds should run down in approximately 15-18 months.
13. Program Interactions with Other HFA Programs	The MAP program could have some forms of interaction with the other HHF programs. Specifically, if a MAP program recipient does achieve re-employment status and would possibly be a candidate for a HHF principal reduction program, then NAHAC will advise the borrower of such. However, if the recipient drops out of the MAP program due to failing to complete their retraining program, and it appears evident that the borrower may lose their home due to lack of means to sustain the mortgage, then the borrower will be advised about the HHF short-sale program.
14. Program Interactions with HAMP	The MAP program could have some form of interaction with HAMP. HHF Funds (MAP) would be utilized prior to HAMP UP. Implementing the program in this order is the most beneficial to the borrower and investor since payments would continue to be made instead of capitalized, and no late charges or adverse credit reporting would occur. If a MAP program recipient does achieve re-employment status and the borrower would possibly be a candidate for either a HAMP modification and/or a HAMP principal reduction program, then NAHAC will advise the borrower of such.
15. Program Leverage with Other Financial Resources	NAHAC will work with loan servicers for each qualified recipient to ensure that the funds from the MAP program payments are utilized strictly for the borrower's 'current P&I payments and not to 'make up' any past due penalties or payments. NAHAC underwriting staff will

	communicate with the servicer to ensure that the MAP payments are credited only toward current amounts of P&I due by the borrower. If this means that the borrower and servicer have to execute some form of forbearance or forgiveness on past due amounts, NAHAC will be prepared to assist the borrower with the servicer on this. It is hoped that the servicers will cooperate on these matters. But until NAHAC actually begins distributing Servicer Participation Agreements for the MAP program, actual servicer participation cannot be accurately determined.
16. Qualify as an Unemployment Program	☑ Yes ☐ No