

**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 First 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, 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 First 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 Original HPA to the “Agreement” shall mean the Original HPA, as amended by this First Amendment; and all references in the Original HPA to Schedules A or B shall mean the Schedules A or B attached to this First Amendment. All references herein to the “HPA” shall mean the Original HPA, as amended by this First Amendment.

B. 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.

C. 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.

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 First Amendment and any other closing documentation delivered to Treasury in connection with this First 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 First Amendment and any other closing documentation delivered to Treasury in connection with this First Amendment, and to perform its obligations hereunder and thereunder.

3. Administrative Expenses

Notwithstanding anything to the contrary contained in the Original HPA as amended by this First 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 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 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.

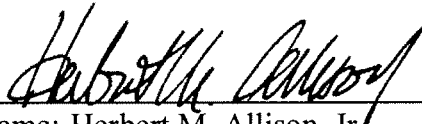
HFA:

MISSISSIPPI HOME CORPORATION

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

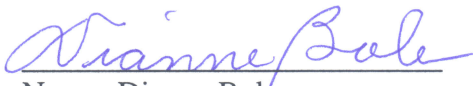
MISSISSIPPI HOME CORPORATION

By: _____
Name:
Title:

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:

MISSISSIPPI HOME CORPORATION

By: 
Name: Dianne Bolen
Title: Executive Director

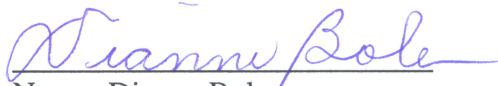
TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

MISSISSIPPI HOME CORPORATION

By: 
Name: Dianne Bolen
Title: Executive Director

EXHIBITS AND SCHEDULES

Schedule A Basic Information
Schedule B Service Schedules

SCHEDULE A
BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	Mississippi Home Corporation ¹
Corporate or other organizational form:	public body corporate and politic, separate and apart from the State of Mississippi constituting a governmental instrumentality under the constitution and laws of the State of Mississippi.
Jurisdiction of organization:	Mississippi
Notice Information:	Dianne Bolen, Executive Director Mississippi Home Corporation 735 Riverside Drive Jackson, MS 39202 601.718.4600 dianne.bolen@mshc.com

HFA Information:

Name of HFA:	Mississippi Home Corporation ¹
Organizational form:	public body corporate and politic, separate and apart from the State of Mississippi constituting a governmental instrumentality under the constitution and laws of the State of Mississippi.
Date of Application:	September 1, 2010
Notice Information:	Same as notice information for Eligible Entity.

<u>Program Participation Cap:</u>	\$101,888,323.00
--	------------------

¹ References in the Agreement to the term "HFA" shall mean the Mississippi Home Corporation ("MHC") in its capacity as HFA as such term is used in the Agreement; and references in the Agreement to the term "Eligible Entity" shall mean MHC, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$38,036,950.00
<u>Permitted Expenses:</u>	\$4,627,263.00
<u>Closing Date:</u>	September 23, 2010
<u>First 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 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.

SERVICE SCHEDULE B-1

Mississippi Home Corporation

Home Saver Program

Summary Guidelines

1. Program Overview	Mississippi Home Corporation (MHC) will offer its Home Saver Program (HSP) to borrowers that are unemployed or substantially underemployed. MHC will pay 100% of the monthly mortgage payment for up to 12 months and up to an additional 12 months if a borrower (at their own expense) enters an educational program that leads to a certification or degree from one of the state's Community Colleges or a 4-year institution if the program can be completed within 24 months. If borrower ceases to participate in the educational program within the first 12 months, mortgage support continues through the first 12 months. If borrower ceases to participate in the educational program after 12 months, benefits end no later than end of quarter or semester the client stopped education program. Borrowers in distressed counties will be eligible for up to 6 additional months of monthly mortgage payment assistance to find a job after they complete the educational program of their choice. Assistance may also be provided to pay up to 6 months of arrearage accumulated during a period of unemployment or substantial underemployment. Borrowers will enter the HSP through the intake process of the housing counseling agencies that MHC will contract with. MHC will not limit the monthly mortgage payment amount per month, but will limit the total HSP assistance to \$44,000. The assistance can be paid for a total up to 30 months plus 6 months arrearage if necessary for a total of 36 months maximum. The borrowers will not make any payments.
2. Program Goals	The goal of the HSP is to provide borrowers the time necessary to improve their chances of finding a job that pays them enough to cover their monthly mortgage payments.
3. Target Population / Areas	The HSP will allow borrowers in distressed counties, those with unemployment rates above 11.4% (Mississippi's June 2010 average unemployment rate) to receive up to 6 additional months of monthly mortgage payment assistance. Distressed counties account for 79%, or 65 of Mississippi's 82 counties.
4. Program Allocation (Excluding Administrative Expenses)	\$97,261,060.00

<p>5. Borrower Eligibility Criteria</p>	<ul style="list-style-type: none"> • The borrower must have a monthly mortgage payment that they cannot afford due unemployment or substantial underemployment that can be documented. • The borrower must have a monthly mortgage payment greater than 31 percent of gross monthly income and the borrower must be a resident of the State of Mississippi. • The borrower must have a mortgage against the property and be delinquent on their mortgage or face imminent risk of default. • The maximum per household income level for participation must not exceed 120% of the Area or State Median Family Income, whichever is greater and liquid asset limitations up to three months of mortgage payments (excluding retirement funds). • The housing counseling agencies will determine eligibility and require all borrowers to submit a hardship affidavit documenting inability to pay their mortgage.
<p>6. Property / Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • The property must be located in the State of Mississippi. • The property must be occupied as the borrower's primary residence. • Borrower must have been the property owner for a minimum of 12 months prior to applying for HSP funds except if borrower is seeking to use HAMP UP program, where mortgage must have been closed prior to January 1, 2009. • The unpaid principal balance of first and second mortgage must be no greater than the FHA limit of \$271,000 for a one-unit dwelling.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Household income exceeds 120% of the Area or State Median Family Income. • Total combined outstanding mortgage amounts exceed the FHA mortgage limits of \$271,000 for a one-unit dwelling.
<p>8. Structure of Assistance</p>	<p>The HSP will be made available as assistance in the form of a five-year, 0% interest, non recourse, non amortizing, subordinate loan, secured by a junior lien recorded against the property, where 20% of the principal will be forgiven each year so long as the eligible borrowers continue to occupy the house as their primary residence and meet all terms and conditions of the loan. This loan will only be repayable if the borrower sells the property before the period expires and there is sufficient</p>

	equity to pay the loan. All funds returned to the HSP will be recycled until December 31, 2017, thereafter they will be returned to Treasury.
9. Per Household Assistance	The estimated median amount that the typical borrower will receive is \$26,900. The maximum amount of assistance that a borrower can receive from the HSP is: 1) \$22,000 during a 12-month period; 2) \$36,000 during a 24-month period; and 3) \$44,000 for a 30-month period.
10. Duration of Assistance	In non-distressed counties, borrowers can receive: 1) a one time payment of up to 6 months of arrearage accumulated during the period of unemployment or substantial underemployment; 2) up to 12-months of monthly mortgage payment assistance; and 3) up to 12 additional months for participation at their own expense in an educational program that leads to a certification or degree at one of the state's Community Colleges or a 4-year institution. In distressed counties, borrowers can receive: 1) a one time payment of up to 6 months of arrearage accumulated during the period of unemployment or substantial underemployment; 2) up to 12-months of monthly mortgage payment assistance; 3) up to 12 additional months for participation in an educational program that leads to a certification or degree at one of the state's Community Colleges or a 4-year institution; and 4) up to 6 additional months for extended job search after completion of an educational program that leads to a certification or degree at one of the state's Community Colleges or a 4-year institution. Assistance will end when: 1) the HSP term ends; 2) the eligible borrower becomes able to resume payments; 3) the eligible borrower sells or abandons the property, or; 4) an unanticipated event occurs deeming the eligible borrower or the property ineligible to receive assistance, i.e., death or fire. Assistance will end no later than end of quarter or semester if a borrower stopped education program.
11. Estimated Number of Participating Households	The HSP will assist approximately 1,300 borrowers.
12. Program Inception / Duration	MHC will launch a pilot program within 30 days after approval from the Treasury, and the full program within 120 days after approval. The HSP will be available to offer assistance up to 3 years from inception.
13. Program Interactions with Other Programs (e.g. other HFA programs)	MHC expects that some borrowers will come out of the National Foreclosure Mitigation Counseling program, which program is not funded with HHF funds.
14. Program Interactions with HAMP	Borrowers would still be eligible for HSP funds if eligible under HAMP UP. HSP assistance will be available to borrowers preceding or following UP assistance.

15. Program Leverage with Other Financial Resources	MHC will not solicit matching funds for the HSP due to the short time frame required to submit the HHF application.
16. Qualify as an Unemployment Program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No