

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

This Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fifth Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Fifth 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 as further amended by that certain Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Second Amendment”), and as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”) and as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”; and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment and Third Amendment, the “Current HPA”), dated as of their respective dates 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, HFA and Eligible Entity submitted a request to Treasury to make certain revisions to their Service Schedules and Permitted Expenses and Treasury has agreed to the same;

WHEREAS, HFA, Eligible Entity and Treasury wish to enter into this Fifth Amendment to document all approved modifications to the Service Schedules and Permitted Expenses;

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 Fifth Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Fifth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Fifth 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 Fifth 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 Fifth Amendment.
- D. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Fifth 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 Fifth Amendment and any other closing documentation delivered to Treasury in connection with this Fifth 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 Fifth Amendment and any other closing documentation delivered to Treasury in connection with this Fifth Amendment, and to perform its obligations hereunder and thereunder.

3. Miscellaneous

A. The recitals set forth at the beginning of this Fifth 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 Fifth 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 Fifth Amendment shall be treated as originals for all purposes.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE
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In Witness Whereof, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

HFA:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: /s/ Harry D. Sewell
Name: Harry D. Sewell
Title: Executive Director & CEO

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name: Timothy G. Massad
Title: Assistant Secretary for
Financial Stability

ELIGIBLE ENTITY:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: /s/ Harry D. Sewell
Name: Harry D. Sewell
Title: Executive Director & CEO

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

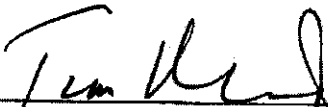
HFA:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: 
Name: Timothy G. Massad
Title: Assistant Secretary for
Financial Stability

ELIGIBLE ENTITY:

DISTRICT OF COLUMBIA HOUSING
FINANCE AGENCY

By: _____
Name:
Title:

EXHIBITS AND SCHEDULES

Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses

SCHEDULE A
BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: District of Columbia Housing Finance Agency¹

Corporate or other organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Jurisdiction of organization: District of Columbia

Notice Information:

HFA Information:

Name of HFA: District of Columbia Housing Finance Agency

Organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Date of Application: September 1, 2010

Date of Action Plan: September 1, 2010

Notice Information: Same as Notice Information for Eligible Entity

1 References in the Agreement to the term "HFA" shall mean the District of Columbia Housing Finance Agency ("DCHFA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean DCHFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Program Participation Cap:</u>	\$20,697,198.00
<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	N/A
<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$ 7,726,678.00
<u>Permitted Expenses:</u>	\$ 3,617,560.00
<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	March 31, 2011
<u>Fourth Amendment Date:</u>	May 25, 2011
<u>Fifth Amendment Date:</u>	October 28, 2011
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

SCHEDULE B

SERVICE SCHEDULES

The Service Schedules attached as Schedule B to the Current HPA are hereby deleted in their entirety and replaced with the attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq.), which collectively comprise Schedule B to the HPA.

SERVICE SCHEDULE B-1

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

<p>1. Program Overview</p>	<p>The HomeSaver Program will offer lump sum or ongoing monthly payments to Unemployment Insurance (UI) claimants or those who have received UI payments in the past six (6) months. Approved applicants may receive up to fifteen (15) months of assistance from the HomeSaver Program.</p> <p>The HomeSaver Program is made up of three components:</p> <ul style="list-style-type: none">• The Lifeline component will offer a one-time payment of up to six (6) months mortgage delinquency; including 100% of principal, interest, taxes, insurance (PITI), late fees, coop fees, condo fees, etc., in order to bring the mortgage current. The LifeLine one-time payment amount is deducted from the total Program cap of \$32,385. Borrowers must be currently receiving unemployment benefits in order to be eligible for LifeLine.• The Mortgage Assistance component will provide up to fifteen (15) months of payments equal to 100% of the mortgage payment (PITI). Mortgage Assistance may include principal, interest, taxes, insurance (PITI), late fees, coop fees, condo fees, etc., in order to bring the mortgage current. Mortgage Assistance will terminate: (i) at the end of the fifteen (15) months or once the program cap is reached; (ii) the end of UI payments, due to reemployment, plus two (2) months (provided that the participant has not received more than a total of fifteen (15) months of assistance or the program cap amount; or (iii) failure to comply with the requirements of DOES for continuation of UI Payments. Borrowers must be currently receiving unemployment benefits in order to be eligible for Mortgage Assistance.• The Restore component will be available for program participants who need a one-time payment to “catch up” (up to the \$32,385 program cap) but who have sufficient resources to continue making timely mortgage payments. The Restore component is for recently re-employed participants who have received UI payments within the past
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	<p>six (6) months but have since found employment. The Restore component may only cover arrearages accumulated during the period of unemployment or substantial underemployment. Restore may include principal, interest, taxes, insurance (PITI), late fees, coop fees, condo fees, etc., in order to bring the mortgage current.</p> <p>Applicants will be referred to the HomeSaver Program after completion of an intake package to include: (1) proof of identity; (2) current statement of mortgage note; (3) payment coupon; and (4) proof of receipt of UI payment(s). Intake packages will be forwarded to the HomeSaver Program Coordinator for review and approval from either: (a) a U.S. Department of Housing and Urban Development (HUD) approved housing counseling agency; (b) Counselor Direct (www.counselordirect.com) or DCHFA website; or (c) a call-in number.</p>
<p>2. Program Goals</p>	<p>Foreclosure prevention – The primary goal of the HomeSaver Program is to prevent foreclosures that will erode the base of homeowners in the city, which already lags behind the national average in the rate of homeownership.</p> <p>Synergistic interaction - The DCHFA will partner with other organizations (i.e. DOES and the Urban Institute) to define the universe of potential candidates for the HomeSaver Program, perform outreach and intake, and ultimately deliver timely assistance to prevent foreclosure. DOES is the District agency that administers the city’s UI and job training programs. The Urban Institute (the Institute) has conducted extensive research into housing issues in DC including mortgage delinquencies and foreclosures. The Urban Institute gathers data, conducts research, evaluates programs, offers technical assistance overseas, and educates Americans on social and economic issues — to foster sound public policy and effective government.</p> <p>Simplicity – The DCHFA will employ a HomeSaver Program design that seeks to minimize administrative costs thereby maximizing the amount of dollars available for assistance.</p>
<p>3. Target Population / Areas</p>	<p>The HomeSaver Program will be city-wide although the DCHFA intends to “pilot test” the HomeSaver Program design in Wards 5, 7 and 8; those hardest hit by both unemployment and foreclosure.</p>
<p>4. Program Allocation</p>	<p>\$17,079,638.00</p>

(Excluding Administrative Expenses)	
5. Borrower Eligibility Criteria	<p>Candidates for HomeSaver Program assistance will be those in the DOES database receiving UI payments or those who have received UI payments in the past six months. Eligible program participants will be:</p> <ul style="list-style-type: none"> • District of Columbia homeowners; • homeowners residing in their primary residences; • homeowners as evidenced by the deed of trust; • borrowers who are receiving UI benefits at the time of application (LifeLine and Mortgage Assistance) or have received UI payments in the past six (6) months (for Restore component only); • homeowners who have not received a foreclosure notice; • homeowners who are not in active bankruptcy. <p>All program participants will be required to sign a notarized Hardship Affidavit attesting to their inability to make mortgage payments due to unemployment or substantial underemployment that occurred through no fault of their own.</p>
6. Property / Loan Eligibility Criteria	Single family home, condominium or cooperative.
7. Program Exclusions	<ul style="list-style-type: none"> • Homeowners with an outstanding mortgage balance greater than \$729,750. • Homeowners not receiving, or who have not received UI payments in the past six months.
8. Structure of Assistance	<p>All loans will be recorded as non-recourse junior liens against the property and will be non-amortizing. Loans will be forgiven at a rate of 20% per year such that in year six the loan will be forgiven and the lien removed.</p> <p>The loan will only be repayable if the program participant sells or refinances the property prior to expiration of the lien period, and then only to the extent there is sufficient equity to pay that portion of the loan that has not been forgiven.</p> <p>Loan funds repaid by program participants will be recycled until December 31, 2017. After December 31, 2017, any remaining returned or recaptured funds will be returned to Treasury.</p>

9. Per Household Assistance	Maximum program assistance is \$32,385 per household.
10. Duration of Assistance	<p>The maximum duration of assistance will be fifteen (15) months. The duration of assistance with respect to each program will be as follows:</p> <ul style="list-style-type: none"> • Lifeline - One time payment equal to up to six (6) months of monthly payments. • Mortgage Assistance - Payments of PITI for up to fifteen (15) months. • Restore - One time payment not to exceed the program cap of \$32,385 <p>If eligible, participants may participate in one or more programs. If, for example a program participant receives Lifeline assistance to bring his/her mortgage current after a six (6) month delinquency payment, the participant may still be eligible for nine (9) months of Mortgage Assistance payments as long as the total amount of assistance does not exceed \$32,385 and the total duration does not exceed 15 months.</p>
11. Estimated Number of Participating Households	520-1000
12. Program Inception / Duration	The HomeSaver Program is expected to begin on January 18, 2011 and continue for approximately three (3) years or until all funds are exhausted but not later than December 31, 2017.
13. Program Interactions with Other HFA Programs	Homeowners may access other District programs. The DCHFA will explore partnerships with other District agencies that have programs assisting District residents with foreclosure issues including the Department of Housing and Community Development (DHCD) and the Department of Insurance Securities and Banking (DISB). DISB provides foreclosure mitigation assistance and DHCD funds foreclosure prevention counseling and other Federal programs including the Neighborhood Stabilization Program (NSP).
14. Program Interactions with HAMP	Eligible homeowners may also access Federal programs including HAMP and HAMP UP. Homeowners may utilize HAMP UP before or after the HomeSaver Program.
15. Program Leverage with Other Financial	The DCHFA will provide \$458,248 of in-kind administrative expenses to the HomeSaver Program. The HomeSaver Program

Resources	requires no financial contribution from servicers or lenders, however loan modifications or contributions/fee waivers are allowed but not required.
16. Qualify as an Unemployment Program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SCHEDULE C

PERMITTED EXPENSES

	Washington D.C.
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$76,829.00
Building, Equipment, Technology	\$166,968.00
Professional Services	\$12,000.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$7,500.00
Travel	\$5,000.00
Website development /Translation	\$12,100.00
Contingency	\$0.00
Subtotal	\$280,397.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$1,279,448.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$219,743.00
Travel	\$0.00
Buildings, Leases & Equipment	\$131,612.00
Information Technology & Communications	\$130,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$9,800.00
Risk Management/ Insurance	\$0.00
Training	\$0.00
Marketing/PR	\$31,700.00
Miscellaneous	\$45,000.00
Subtotal	\$1,847,303.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$884,500.00
Wire Transfer Fees	\$15,360.00
<i>Counseling Expenses</i>	
File Intake	\$0.00
Decision Costs	\$0.00
Successful File	\$0.00
Key Business Partners On-Going	\$590,000.00
Subtotal	\$1,489,860.00
Grand Total	\$3,617,560.00
% of Total Award	17.48%
Award Amount	\$20,697,198.00