SIXTH AMENDMENT TO

COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
and
HFA PARTICIPATION AGREEMENT

This Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Sixth Amendment") is entered into as of the date set forth on Schedule A attached hereto as the Sixth 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"), as further amended by that certain Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Second Amendment"), as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Third Amendment"), as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Fourth Amendment"), and as further amended by that certain Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Fifth Amendment" and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment and Fourth 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 Treasury has agreed to the same;

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

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

3. Miscellaneous

A. The recitals set forth at the beginning of this Sixth 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 Sixth 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 Sixth 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 Sixth 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: Timothy G. Massad
Title: Assistant Secretary for Financial Stability

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

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

In Witness Whereof, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Sixth 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: ___________________________
Name: Timothy G. Massad
Title: Assistant Secretary for Financial Stability

ELIGIBLE ENTITY:

NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

By: ___________________________
Name:
Title:

<u>EXHIBITS AND SCHEDULES</u>

Schedule A	Basic Information
Schedule B	Service 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
Portion of Program Participation Cap Representing Original HHF Funds:	$102,800,000.00

[1] Each Schedule A-1 attached to the Original HPA, the First Amendment and the Second Amendment shall remain a part of the Current HPA.

Portion of Program Participation Cap <u>Representing Unemployment HHF Funds</u>:	$ 34,056,581.00
<u>Permitted Expenses</u>:	$ 24,978,556.00
<u>Closing Date</u>:	June 23, 2010
<u>First Amendment Date</u>:	September 23, 2010
<u>Second Amendment Date</u>:	September 29, 2010
<u>Third Amendment Date</u>:	December 16, 2010
<u>Fourth Amendment Date</u>:	April 5, 2011
<u>Fifth Amendment Date</u>:	May 25, 2011
<u>Sixth 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

The Nevada Affordable Housing Assistance Corporation

PRINCIPAL REDUCTION PROGRAM

Summary Guidelines

1. Program Overview	To ensure that approximately 1,500 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 $50,000, with a 1:1 match from the note holder if possible. The 1st Mortgage Principal Reduction Program will assist the underemployed and/or income restricted homeowner candidates to keep occupancy and ownership of their home. Depending on the agreement with the lender/servicer, one of two methods will be used to reduce the principal balance of a borrower's primary mortgage: • A forgivable loan may be made to eligible borrowers for up to $50,000 with such assistance provided in a one time up-front payment to the lender/servicer; or • Up to $50,000 in assistance may be provided over a three-year period.
2. Program Goals	The primary goal is to reduce first mortgage principal balances such that their loan to value ratios are reduced to 115% or less and correspondingly, the PITI payment reduced to 43% 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)	$75,412,386.70
5. Borrower Eligibility Criteria	• Legal US Resident. • Loan originated 1/1/2009 or earlier. • Home is currently owner occupied. • Current income does not exceed 120% of Area Median Income as then published by HUD.

	• Borrower must be facing imminent default. 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,' directly at the intake portal of the contract agents (foreclosure mitigation and mediation agencies) or by the designated call center. 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 valuation obtained by NAHAC or the Servicer following principal balance reduction. The PITI cannot exceed 43%.
	• 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).
	• Servicers will be encouraged to modify mortgages to a fixed rate 30 year or longer mortgage.
	
	The higher Targeted Area Mortgage limit calculation will be utilized (115% of area median). Thus, per the HUD Procedure, the current 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 trial period by voluntary non-compliance, as determined by Eligible Entity. • Borrower owns other real property.
8. Structure of Assistance	Depending on the agreement with the lender/servicer, the structure of assistance may be provided in one of two ways: • Assistance may 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 loan has a term of 5 years and is forgiven at a rate of 20% per year with full forgiveness at the end of year 5. If the borrower sells the property before the forgiveness period expires; all net sale proceeds up to the full principal balance outstanding and not yet forgiven will be due and payable to NAHAC. All funds returned to NAHAC may be recycled until December 31, 2017; thereafter they will be returned to Treasury. • Assistance may be provided in equal installments over a three year period, at months 13, 25 and 37, provided the homeowner remains in the home and continues to make current mortgage payments. This structure will not require a loan in favor of the Eligible Entity. In the event that the program recipient subsequently participates in the NAHAC's Short Sale Acceleration Program, then the lien recorded as a result of participation in the Principal Reduction Program may be extinguished.
9. Per Household Assistance	The maximum amount receivable by a qualified borrower is $50,000 assuming a $1 for $1 match is occurring from the lenders/servicers 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 $50,000 level and very few in between.
10. Duration of Assistance	Depending on the agreement with the servicer/lender, program funds will either be distributed as a one time payment or in three separate installments over a three year period.
11. Estimated Number of	Assuming a $1 for $1 level of matching principal reduction assistance is

Participating Households	achieved in conjunction with the loan servicers, approximately 1,008 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 2,500.
12. Program Inception / Duration	The program began on March 1, 2010. This Program could last up to 48 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. It is also quite possible that a homeowner may receive a 2nd lien reduction and subsequently qualify for either a HAMP modification in need of supplementation or a regular 1st mortgage principal reduction 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.
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. In the event of a less than $1 to $1 match then the structure of assistance must be in the form of a loan as described in the first bullet under section 8 above. The matching funds will be provided at closing, or over a three year period depending on the agreement with the lender/servicer. 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, refinance 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 2,200 families remove the impediment of a second lien on their property such that either a short sale, 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)	$ 36,552,962.00

5. Borrower Eligibility Criteria	• Legal US Resident.
	• Loan originated 1/1/2009 or earlier.
	• Home is currently owner occupied.
	• Current income does not exceed 120% of Area Median Income as then published by HUD.
	• Borrower must be facing imminent default.
	• 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,' directly at the intake portal of the contract agents (foreclosure mitigation and mediation agencies) or by the designated call center. 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.
	• Should have only one existing mortgage and a 2nd lien. In circumstances where there exists a 3rd lien strictly associated with a governmental or non-profit sponsored 'down payment assistance program' the 3rd lien relief will also be accepted for assistance under this program.
	• The PITI cannot exceed 38-43% following the removal of the 2nd lien.
	• 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 unless the lien holder agrees to write down a greater balance. The higher Targeted Area Mortgage limit calculation will be utilized (115% of area median). Thus, per the HUD Procedure, the current maximum mortgage limits would be:
	    • Clark County: $427,184
	    • Reno/Sparks SMSA: $431,189
	    • Rural Nevada Areas: $347,087

7. Program Exclusions	• If a second lien exceeds the program limit of $41,250 (unless the lien holder agrees to write down a greater balance) or a program contribution of >$16,500 is needed then the borrower would be ineligible. • Borrower owns other real property.
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 loan has a term of 5 years and

	is forgiven at a rate of 20% per year with full forgiveness at the end of year 5. If the borrower sells the property before the forgiveness period expires; all net sale proceeds up to the full principal balance outstanding and not yet forgiven will be due and payable to NAHAC. All funds returned to NAHAC may be recycled until December 31, 2017; thereafter they will be returned to Treasury. In the event a program recipient subsequently participates in the NAHAC's Short Sale Acceleration Program, the lien recorded as a result of participation in the Second Mortgage Reduction Plan program may be extinguished.
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. Servicers will be allowed to write down second liens above the $41,250 but the Hardest Hit Fund assistance is limited to the $16,500 per dwelling.
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 2,200 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 Second Mortgage Reduction Plan program began March 1, 2010 and could last up to 48 months.
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 or refinance 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 a minimum of $0.60 for each $0.40 contributed by this program except in the event the 2nd or 3rd lien is held by a downpayment assistance program provider, in which event no matching funds will be required.
16. Qualify as an Unemployment Program	☐ Yes ☑ No

<u>**SERVICE SCHEDULE B-3**</u>

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 an $8,025 level of average funding per family assisted up to 1,371 families facing imminent foreclosure threat, will have the burden of their home mortgage eliminated and the threats of a default judgment removed.
3. Target Population / Areas	Those Nevadans that are facing imminent threat of foreclosure.
4. Program Allocation (Excluding Administrative Expenses)	$6,175,464.30
5. Borrower Eligibility Criteria	• Legal US Resident. • Loan originated 1/1/2009 or earlier. • Home is currently owner occupied. • Borrower must have short-sale approval in place with lender. • 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	• Must have only one existing mortgage unless eligible to participate in NAHAC's Second Mortgage Reduction Plan. • Borrower/family must be committed to living in a Nevada rental property (Single or Multi-Family) 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. • Borrower owns other real property.
8. Structure of	This program is direct assistance through direct payment to vendors at closing of the escrow, or immediately post short-sale closing. The

Assistance	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	Assistance will be a one time set of payments.
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 began March 1, 2010 and could last up to 48 months.
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 1st 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	In the event the short sale program recipient has incurred a lien as a result of earlier participation in NAHAC's Principal Reduction, Second Mortgage Reduction Plan or Mortgage Assistance Program, then the lien may be extinguished for the purpose of helping to facilitate the short sale request.
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 approximately 5,220 families who have an unemployed or underemployed wage earner. The program will assist those qualified families by making up to the lesser of (a) \$1,000 (one thousand dollars) of the principal, interest, property taxes and property insurance (whether impounded or not) but excluding Home Owner Association fees or (b) total payment due for those four components, to the family's monthly first mortgage payment only. Further, the borrower will be responsible for contributing a minimum of seventy-five dollars (\$75) per month toward completing the full payment due. MAP payments may be extended for qualified families for up to 9 months with the right to extend up to 12 months if still receiving Unempolyment Insurance benefits. The MAP payments are aimed at providing a financial bridge to unemployed or underemployed persons. For the purpose of this program, unemployed will be defined as an individual that is not currently working. Underemployed will be defined as any individual that is in a situation of imminent threat of going into default on their mortgage due to a change in economic status, working less than 50% of full time hours or a material reduction in measureable income, all subject to satisfaction of all other borrower eligibility criteria. 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 apply 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 (e.g. while a training programs are completed). These exceptional cases must be

	approved by the NAHAC Board of Directors. 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. 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 semi annual assessment will be undertaken to ensure allocations of remaining funds are representative of changes to the unemployed and underemployed populations in all jurisdictions.
4. Program Allocation (Excluding Administrative Expenses)	$50,906,871.00
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. • Loan originated 1/1/2009 or earlier. • Home is currently owner occupied. • Current income does not exceed 120% of Area Median Income as then published by HUD. • Applicant must be facing imminent default. • Applicant must be experiencing financial hardship due specifically

	to unemployed or underemployed status. • Applicant will be required to provide a financial hardship affidavit attesting to their inability to make mortgage payments. Basic eligibility criteria will be analyzed either on-line by the applicant's visit to the web site and using the 'screening tool,' directly at the NAHAC offices or by the designated call center. 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 current 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. • Borrower owns other real property.
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 5 year 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. In the event that the MAP recipient subsequently participates in NAHAC's Short Sale Acceleration Program, then the lien recorded as a result of participation in MAP can be extinguished.
9. Per Household Assistance	The planned MAP program level of assistance should average approximately $1,000/month per recipient for up to 9 months or an expected average total mortgage payment assistance of $9,000.

10. Duration of Assistance	The MAP assistance will last up to 9 months with a possible extension of up to 12 months if still receiving Unemployment Insurance benefits.
11. Estimated Number of Participating Households	Based upon average assistance of $9,000 for 80% of the recipients and up to 12 months for 20% of the recipients, then the expected number of potential recipients should be approximately 5,200 net of the number already served under this program through October 1, 2011. However, this number may be decreased slightly if the contingency funds described in Section 1 are utilized for such purpose.
12. Program Inception / Duration	This program began on March 1, 2010 and could last up to 48 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 remit their portion of the monthly mortgage payment, 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 first mortgage loan payments, excluding homeowner association dues and fees and not to 'make up' any past due penalties or payments. NAHAC accounting staff will communicate with the servicer to ensure that the MAP payments are credited only toward current amounts of principal, interest, property taxes and property insurance due by the borrower on their first mortgage. 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