

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

This Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Third 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”; and together with the Original HPA as amended thereby and by the First 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 Third 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 Third 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 Third

Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Third 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 Third 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 Third 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 Third 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 Third Amendment and any other closing documentation delivered to Treasury in connection with this Third 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 Third Amendment and any other closing documentation delivered to Treasury in connection with this Third Amendment, and to perform its obligations hereunder and thereunder.

3. Miscellaneous

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

HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING

By: /s/ Michael Traylor
Name: Michael Traylor
Title: Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

By: /s/ Michael Traylor
Name: Michael Traylor
Title: Director

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

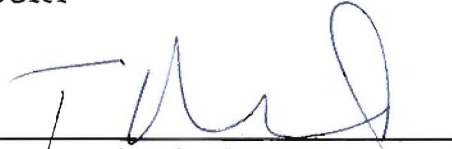
HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING

By: _____
Name:
Title:

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

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: Arizona Home Foreclosure Prevention
Funding Corporation

Corporate or other organizational form: Arizona Non-Profit corporation

Jurisdiction of organization: Arizona domiciliary

Notice Information:

HFA Information:

Name of HFA: State of Arizona, Arizona Department of
Housing

Organizational form: Constituent Department of the State of
Arizona

Date of Application: April 16, 2010

Date of Action Plan: September 1, 2010

Notice Information:

Program Participation Cap: \$267,766,006.00

**Portion of Program Participation Cap
Representing Original HHF Funds:** \$125,100,000.00

<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	N/A
<u>Permitted Expenses:</u>	\$ 19,466,006.00
<u>Closing Date:</u>	August 3, 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>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

SAVEMYHOMEAZ Permanent Modifications Component Summary Guidelines

1. Program Overview	<p>The Permanent Modification Component is being administered by the Arizona Department of Housing (“ADOH”). Efforts may include principal reduction, interest rate reduction, and/or term extension to achieve a monthly payment that does not exceed 31% of the borrower’s monthly income. Borrowers that are suffering an approved hardship, demonstrate personal responsibility, and whose principal outstanding mortgage balance exceeds 120% of the present market value of the borrower’s residence may be eligible for principal reduction assistance.</p> <p>Soft second loans will be made to eligible borrowers for up to \$50,000 which will be applied to reduce the principal balance of a borrower’s primary mortgage. A borrower’s primary mortgage lender must agree to make a matching reduction to the principal balance of the primary mortgage. Loans will be for a term of ten (10) years and will include provisions that will reduce the loan amount by twenty percent (20%) per year for every year the borrower stays in the home after five (5) years. Each loan, to the extent not previously forgiven, will be due upon the sale of the property to the extent that the equity in the home has increased.</p>
2. Program Goals	<p>The central goal of the Permanent Modification Component is to help homeowners avoid foreclosure by permanently modifying a borrower’s primary mortgage to achieve a monthly payment that does not exceed 31% of the borrower’s monthly income. Loan modifications may include principal reduction (the amount of any principal reduction provided by HHF Program funds must be matched by a borrower’s lender/servicer), interest rate reduction, and/or term extension. The Permanent Modification Component aspires to achieve a ninety percent (90%) success rate in modifying loans with the borrowers’ lenders/servicers.</p>
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 120% Area Median Income (“AMI”) and that exhibit a commitment to retaining their home and can</p>

	<p>demonstrate an ability to maintain a financial obligation for the home. These households will be analyzed based on two primary factors which are affordability and profitability. Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to its gross monthly income.</p> <p>It is projected that program assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p style="text-align: center;"> Maricopa County, 79% of program funds Pima County, 9% of program funds Pinal County, 9% of program funds All other areas, 3% of program funds </p>
4. Program Allocation (Excluding Administrative Expenses)	\$216,800,000.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Eligible financial hardship. Eligible financial hardships include: reduced income due to under employment, medical condition divorce or death. Borrower will be required to provide a financial hardship affidavit. • Property must be borrower’s primary residence (single family unit). • 120% of AMI maximum household income (underemployed). • Present dollar value of 31% of monthly gross income must be equal to or greater than NPV of REO. • Eligibility determined through application process and application evaluation by ADOH and HUD approved counselors. • Funds will be monitored, allocated and distributed based on approved application request and adjusted upon successful modification. No commitments will be made to borrowers beyond the capacity of Permanent Modification Component funds.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must be owner occupied. • Mortgage amount must be equal to or less than GSE conforming limits. • Mortgage must be a traditional fixed rate, 30-year, fully amortized and full income documented mortgage to qualify.

	<ul style="list-style-type: none"> • Purchase money mortgage(s) or rate and term refinance of purchase money mortgage(s). • 60 days delinquent on mortgage. • At least 60 days prior to the scheduled date of a trustee's sale with respect to borrower's residence.
7. Program Exclusions	<ul style="list-style-type: none"> • Refinance cash out mortgages. • Cash out second mortgages and home equity lines of credit. • Current mortgage payment is equal to or less than 31% of borrower's monthly gross income.
8. Structure of Assistance	<p>The Permanent Modifications Component will provide up-front, soft second loans to eligible borrowers for up to \$50,000 depending upon individual circumstances. Notes on the soft second loans will be for a term of ten (10) years in favor of the Eligible Entity. A forgiveness clause will reduce the loan amount due by 20 percent (20%) a year for every year the consumer stays in the home after five years. At the end of the ten (10) years the note will be considered satisfied and ADOH will release the second lien connected with the note. These soft second loans will be utilized to reduce a portion of the principal on the loan, the amount of which will be required to be matched by the primary lender/servicer. During the period of the loan it will be "due on sale." Any remaining amount not previously "forgiven" will be due, if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven so as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners.</p>
9. Per Household Assistance	<ul style="list-style-type: none"> • \$50,000 is the Maximum Amount of Assistance. • \$30,000 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	<p>Permanent modification assistance will be disbursed in full at the initial completion of the modification agreement.</p>
11. Estimated Number of Participating Households	<p>It is anticipated that the Permanent Modification Component will assist a minimum of 4,336 households in avoiding imminent foreclosures. Based upon the median or estimated average amount of assistance we could assist as many as 7,227 households.</p>

<p>12. Program Inception/Duration</p>	<p>It is expected that the program will be available in a controlled rollout environment 3 weeks from Treasury’s approval of the program. The complete rollout of the program will occur approximately 4 weeks later, after the satisfactory assessment and adjustments as determined necessary in the controlled rollout.</p> <p>It is projected that assistance will be expended over a three year period of time. However, repayment of assistance may extend this time frame one or two additional years.</p>
<p>13. Program Interactions with Other Programs (e.g. other HFA programs)</p>	<p>N/A</p>
<p>14. Program Interactions with HAMP</p>	<p>Borrowers for the Permanent Modification Component must be ineligible or denied for HAMP.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>In order to leverage the funds, ADOH requires the lender/servicer to match any principal reduction provided through the Permanent Modification Component. It is expected that this match will be no less than one to one. In some instances the lender/servicer will need to contribute a larger amount based upon the affordability/ profitability assessment of the transaction and the Permanent Modification Component maximum assistance per household. Lender match amounts up to and equal to the amount of program funds for any homeowner shall be credited at the time of closing of the modification. Lender match amounts greater than the amount of program funds may be credited after closing according to a schedule satisfactory to ADOH.</p>
<p>16. Qualify as an Unemployment Program</p>	<p>N/A</p>

SERVICE SCHEDULE B-2

SAVEMYHOMEAZ Second Mortgage Assistance Component Summary Guidelines

1. Program Overview	Under the Second Mortgage Assistance Component, assistance of up to \$5,000 will be provided to remove second mortgages if necessary to modify the terms of primary loans. This amount may also be available to borrowers where the second mortgage itself is burdensome.
2. Program Goals	The goals of the Second Mortgage Assistance Component is to help homeowners avoid foreclosure by eliminating a second mortgage if necessary to modify the terms of the primary loan, and to reduce the likelihood that a borrower will re-default under its primary loan as a result of the burden of a second mortgage.
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 120% AMI and that exhibit a commitment to retaining their home and can demonstrate an ability to maintain a financial obligation for the home. These households will be analyzed based on two primary factors which are affordability and profitability. Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to its gross monthly income.</p> <p>It is projected that program assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p style="text-align: center;">Maricopa County, 75% of program funds Pima County, 8% of program funds Pinal County, 9% of program funds All other areas, 8% of program funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$7,500,000.00
5. Borrower Eligibility	<ul style="list-style-type: none">• Eligible financial hardship. Eligible financial hardships include: reduced income due to under

<p>Criteria</p>	<p>employment, medical condition divorce or death. Borrower will be required to provide a financial hardship affidavit.</p> <ul style="list-style-type: none"> • Property must be borrower’s primary residence (single family unit). • 120% of AMI maximum household income. • Present dollar value of 31% of monthly gross income must be equal to or greater than NPV of REO.
<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Property must be owner occupied. • Mortgage amount must be equal to or less than GSE conforming limits. • Mortgage must be a traditional fixed rate, 30-year, fully amortized and full income documented mortgage to qualify. • Purchase money mortgage(s) or rate and term refinances. • 60 days delinquent on mortgage. • At least 60 days prior to the scheduled date of a trustee’s sale with respect to borrower’s residence.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Refinance cash out mortgages. • Cash out second mortgages and home equity lines of credit • Current mortgage payment is equal to or less than 31% of borrower’s monthly gross income.
<p>8. Structure of Assistance</p>	<p>The Second Mortgage Assistance Component will provide up-front, soft second loans to eligible borrowers depending upon individual circumstances. Notes on the soft second loans will be for a term of ten (10) years in favor of the Eligible Entity. A forgiveness clause will reduce the loan amount due by 20 percent (20%) a year for every year the consumer stays in the home after five years. At the end of the ten (10) years the note will be considered satisfied and ADOH will release the second lien connected with the note. These soft second loans will be utilized to reduce a portion of the principal on the loan, the amount of which will be required to be matched by the primary lender/servicer. During the period of the loan it will be “due on sale.” Any remaining amount not previously “forgiven” will be due, if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven so as not to create additional hardships on the borrower/seller at the time of</p>

	closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners.
9. Per Household Assistance	<ul style="list-style-type: none"> • \$5,000 Maximum of Second Mortgage Settlement Assistance. • \$4,000 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	Second mortgage settlement will be disbursed in full at the initial completion of the modification agreement.
11. Estimated Number of Participating Households	It is anticipated that the Second Mortgage Assistance Component will assist a minimum of 1,500 households in avoiding imminent foreclosures. Based upon median or estimated average amount of assistance ADOH could assist as many as 1,875 households.
12. Program Inception/Duration	<p>It is expected that the program will be available in a controlled rollout environment 3 weeks from Treasury's approval of the program. The complete rollout of the program will occur approximately 4 weeks later, after the satisfactory assessment and adjustments as determined necessary in the controlled rollout.</p> <p>It is projected that assistance will be expended over a three year period of time. However, repayment of assistance may extend this time frame one or two additional years.</p>
13. Program Interactions with Other Programs (e.g. other HFA programs)	N/A
14. Program Interactions with HAMP	Borrowers for the Second Mortgage Assistance Component must be ineligible or denied for HAMP.

<p>15. Program Leverage with Other Financial Resources</p>	<p>In order to leverage the funds, ADOH requires the lender/servicer to match any principal reduction provided through the Second Mortgage Assistance Component. It is expected that this match will be no less than seven to one. Lender match amounts up to and equal to the amount of program funds for any homeowner shall be credited at the time of closing of the modification. Lender match amounts greater than the amount of program funds may be credited after closing according to a schedule satisfactory to ADOH.</p>
<p>16. Qualify as an Unemployment Program</p>	<p>N/A</p>

SERVICE SCHEDULE B-3

SAVEMYHOMEAZ Temporary Modification Component Summary Guidelines

1. Program Overview	The Temporary Modification Component is designed to give unemployed or underemployed borrowers relief for up to 24 months while seeking to become reemployed or sufficiently employed (maximum of \$12,000 of assistance). This assistance may be used to pay monthly mortgage payments or to remove second mortgages as necessary in order to modify the terms of the primary mortgage.
2. Program Goals	The goal of the Temporary Modification Component is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment or underemployment. The Temporary Modification Component funds will reduce past due payments, and provide borrower's additional time to find alternate employment and replace income needed to make mortgage payments. The Temporary Modification Component is designed to complement other components of the HHF Program. Funds available under the Temporary Modification Component may also be applied to remove second mortgages as necessary to modify the terms of the primary loan.
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 120% AMI and that exhibit a commitment to retaining their home and can demonstrate an ability to maintain a financial obligation for the home. These households will be analyzed based on two primary factors which are affordability and profitability. Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to its gross monthly income.</p> <p>It is projected that program assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p style="text-align: center;">Maricopa County, 78% of program funds Pima County, 9% of program funds</p>

	<p>Pinal County, 9% of program funds All other areas, 4% of program funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$24,000,000.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Eligible financial hardship. Eligible financial hardships include: reduced income due to under employment, medical condition divorce or death. Borrower will be required to provide a financial hardship affidavit. • Property must be borrower’s primary residence (single family unit). • 120% of AMI maximum household income. • Present dollar value of 31% of monthly gross income must be equal to or greater than NPV of REO.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must be owner occupied. • Mortgage amount must be equal to or less than GSE conforming limits. • Mortgage must be a traditional fixed rate, 30-year, fully amortized and fully income documented mortgage to qualify. • Purchase money mortgage(s) or rate and term refinances. • 60 days delinquent on mortgage. • At least 60 days prior to the scheduled date of a trustee’s sale with respect to borrower’s residence.
7. Program Exclusions	<ul style="list-style-type: none"> • Refinance cash out mortgages. • Cash out second mortgages and home equity lines of credit. • Current mortgage payment is equal to or less than 31% of borrower’s monthly gross income.
8. Structure of Assistance	<p>The Temporary Modification Component will provide up-front, soft second loans to eligible borrowers depending upon individual circumstances. Notes on the soft second loans will be for a term of ten (10) years in favor of the Eligible Entity. A forgiveness clause will reduce the loan amount due by 20 percent (20%) a year for every year the consumer stays in the home after five years. At the end of the ten (10) years the note will be considered satisfied and ADOH will release the second lien connected with the note. These soft second loans will be utilized to reduce a</p>

	<p>portion of the principal on the loan, the amount of which will be required to be matched by the primary lender/servicer. During the period of the loan it will be “due on sale.” Any remaining amount not previously “forgiven” will be due, if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven so as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners</p>
9. Per Household Assistance	<ul style="list-style-type: none"> • \$12,000 Maximum of Mortgage Payment Assistance. • \$8,400 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	<p>Temporary Modification assistance will be disbursed monthly up to 24 months. Provided the borrower can demonstrate they qualify for a permanent modification prior to the expiration of the temporary assistance the provisions of the permanent modification will commence at that time. Assistance under the Permanent Modification Component will be disbursed at conversion to a permanent modification.</p>
11. Estimated Number of Participating Households	<p>It is anticipated that the Temporary Modification Component will assist a minimum of 2,000 households in avoiding imminent foreclosures. Based upon the median or estimated average amount of assistance ADOH could assist as many as 2,857 households.</p>
12. Program Inception/Duration	<p>It is expected that the program will be available in a controlled rollout environment 3 weeks from Treasury’s approval of the program. The complete rollout of the program will occur approximately 4 weeks later, after the satisfactory assessment and adjustments as determined necessary in the controlled rollout.</p> <p>It is projected that assistance will be expended over a three year period of time. However, repayment of assistance may extend this time frame one or two additional years.</p>
13. Program Interactions with Other Programs (e.g. other HFA programs)	N/A

<p>14. Program Interactions with HAMP</p>	<p>Borrowers for the Temporary Modification Component must be ineligible or denied for HAMP.</p>
<p>15. Program Leverage with Other Financial Resources</p>	<p>In the event a permanent modification is achieved in order to leverage funds, ADOH requires the lender/servicer to match any principal reduction provided through the Permanent Modification Component. It is expected that this match will be no less than one to one. In some instances the lender/servicer will need to contribute a larger amount based upon the affordability/profitability assessment of the transaction and the Permanent Component maximum assistance per household. Lender match amounts up to and equal to the amount of program funds for any homeowner shall be credited at the time of closing of the modification. Lender match amounts greater than the amount of program funds may be credited after closing according to a schedule satisfactory to ADOH.</p>
<p>16. Qualify as an Unemployment Program</p>	<p>N/A</p>

SCHEDULE C

PERMITTED EXPENSES

Arizona	
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$0.00
Building, Equipment, Technology	\$9,000.00
Professional Services	\$4,192.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$25,000.00
Travel	\$0.00
Website development /Translation	\$550,000.00
Contingency	\$100,000.00
Subtotal	\$688,192.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$2,144,826.45
Professional Services (Legal, Compliance, Audit, Monitoring)	\$86,895.00
Travel	\$12,000.00
Buildings, Leases & Equipment	\$238,685.55
Information Technology & Communications	\$190,710.00
Office Supplies/Postage and Delivery/Subscriptions	\$47,310.00
Risk Management/ Insurance	\$11,400.00
Training	\$20,000.00
Marketing/PR	\$30,000.00
Miscellaneous	\$280,091.00
Subtotal	\$3,061,918.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$4,295,296.00
Wire Transfer Fees	\$117,540.00
<i>Counseling Expenses</i>	
File Intake	\$2,000,000.00
Decision Costs	\$78,360.00
Successful File	\$2,546,700.00
Key Business Partners On-Going	\$6,678,000.00
Subtotal	\$15,715,896.00
Grand Total	
Grand Total	\$19,466,006.00
% of Total Award	
% of Total Award	7.27%
Award Amount	
Award Amount	\$267,766,006