

**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, Fourth Amendment and Fifth 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 existing 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
INTENTIONALLY LEFT BLANK]

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:

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: Chairman

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:

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 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:	

<u>Program Participation Cap:</u>	\$267,766,006.00
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<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$125,100,000.00
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<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>	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>	January 26, 2011
<u>Fifth Amendment Date:</u>	March 31, 2011
<u>Sixth Amendment Date:</u>	May 25, 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

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 31-32% of the borrower’s monthly income, depending on the agreement with the servicer. 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>Depending on the agreement with the servicer, one of two methods will be used to reduce the principal balance of a borrower’s primary mortgage:</p> <ul style="list-style-type: none">• A forgivable loan may be made to eligible borrowers for up to \$50,000; or• Up to \$50,000 in assistance may be provided over a three-year period. <p>A borrower’s primary mortgage lender must agree to make a matching reduction to the principal balance of the primary loan.</p> <p>The structure of these two types of assistance is further discussed in section 8.</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 31-32% of the borrower’s monthly income, depending on the agreement with the servicer. 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 demonstrate an ability to maintain a financial obligation for the home. These</p>

	<p>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)	\$200,000,000.00
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. • 120% of AMI maximum household income (underemployed). • Present dollar value of 31-32% of monthly gross income must be equal to or greater than NPV of REO, depending on the agreement with the servicer. • Depending on the agreement with the servicer, the eligibility will either be determined through application process and application evaluation by ADOH and HUD approved counselors or may be determined through application evaluation by the servicer and ADOH.
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. • Purchase money mortgage(s) or rate and term refinance of purchase money mortgage(s). • Mortgage must be delinquent by at least 2 payments. • Depending on the agreement with the servicer, mortgage may be required to be at least 60 to 7 days prior to the scheduled date of a trustee's sale with respect to borrower's residence. • Single family dwelling (1 to 4 units).
7. Program	<ul style="list-style-type: none"> • Refinance cash out mortgages.

Exclusions	<ul style="list-style-type: none"> • 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>Depending on the agreement with the servicer, the structure of assistance may be provided in one of two ways:</p> <ul style="list-style-type: none"> • The Permanent Modifications Component may provide up-front, forgivable loan to eligible borrowers for up to \$50,000 depending upon individual circumstances. Notes evidencing these loans will be for a term of five (5) years in favor of the Eligible Entity. A forgiveness clause will extinguish the loan amount at the end of five years provided the consumer has satisfied all terms of the loan. The terms of these loans would be zero interest, zero payment and the property would be required to remain owner occupied for the duration of the loan. The assistance loan would be considered satisfied upon expiration of 5 year term and AHFPFC would release the lien connected with the note. These loans would be utilized to reduce a portion of the principal on the first mortgage loan, the amount of which would be required to be matched by the primary lender/servicer. During the term of the assistance loan it would be “due on sale” 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 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. All funds recycled into the program will be returned to Treasury after 12/31/2017. • Assistance of up to \$50,000 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.
9. Per Household	<ul style="list-style-type: none"> • \$50,000 is the Maximum Amount of Assistance.

Assistance	<ul style="list-style-type: none"> \$30,000 is the Estimated Median Amount of Assistance.
10. Duration of Assistance	Permanent modification assistance will be disbursed in full at the initial completion of the modification agreement.
11. Estimated Number of Participating Households	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.
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	AHFPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	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 the event the match is less than one to one then the structure of assistance will be in the form of a loan as described in the first bullet under section 8 above. 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.
16. Qualify as an Unemployment Program	N/A

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. Households will be analyzed based on two primary factors which are affordability for the borrower and profitability to the lender. Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to its gross monthly income.
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.</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>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 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.

	<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.
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. • Purchase money mortgage(s) or rate and term refinances. • Mortgage must be delinquent by at least 2 payments. • At least 60 days prior to the scheduled date of a trustee’s sale with respect to borrower’s residence. • Single family dwelling (1 to 4 units)
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 Second Mortgage Assistance Component will provide up-front, forgivable, second position loans to eligible borrowers depending upon individual circumstances. Notes on the forgivable second loans will be for a term of five (5) years in favor of the Eligible Entity. A forgiveness clause will extinguish the loan amount at the end of five years provided the consumer has satisfied all terms of the loan. The terms of the loan are zero interest, zero payment and the property must remain owner occupied for the duration of the loan. The assistance loan will be considered satisfied upon expiration of 5 year term and ADOH will release the second lien connected with the note. These loans will be utilized to reduce a portion of the principal on the existing second mortgage and the remaining balance will be extinguished by the lender/servicer. During the term of the assistance loan it will be “due on sale” 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 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. All funds recycled into the program will be returned to Treasury after 12/31/2017.</p>
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	<p>AHFPFC’s program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.</p>

15. Program Leverage with Other Financial Resources	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.
16. Qualify as an Unemployment Program	N/A

SERVICE SCHEDULE B-3

SAVEMYHOMEAZ Unemployment Mortgage Assistance Component Summary Guidelines

1. Program Overview	<p>The unemployment mortgage assistance component will provide temporary mortgage relief for qualified unemployed borrowers.</p> <p>AHFPFC is responsible for screening borrowers to determine program eligibility and notifying servicers that it intends to provide assistance to a borrower.</p> <p>Servicers may refer potentially eligible borrowers to AHFPFC with prior written approval.</p> <p>AHFPFC may, on behalf of an eligible borrower, bring the first mortgage current by curing all past due payments, accrued interest and legal fees. Late fees and NSF fees may only be paid if negotiations with the lender fail to secure a waiver of those fees which would then result in a borrower's inability to participate in the program. Additional benefits will consist of making a full monthly 1st mortgage payment to the servicer until the applicable program cap is reached or the borrower becomes re-employed and able to sustain the payment. The borrower will be required to pay a portion of the mortgage payment to AFHPFC in the amount of 31% of household monthly gross income, excluding unemployment benefits.</p> <p>AHFPFC may, on behalf of an eligible borrower, attempt to extinguish the 2nd mortgage through our Second Mortgage Settlement component.</p> <p>AHFPFC will be responsible for ongoing monitoring of borrowers to ensure continued eligibility.</p>
2. Program Goals	<p>This program will provide assistance for a set period of time and/or maximum dollar amount so a qualified borrower can search for work or obtain job training without fear of losing their home. The purpose of the program is to assist borrowers until they can obtain sufficient income to resume scheduled mortgage payments, or qualify for a modified mortgage payment.</p> <ul style="list-style-type: none">• Sustain the unemployed borrower's monthly mortgage

	<p>payment until they can or the maximum assistance has been provided</p> <ul style="list-style-type: none"> • Maintain the borrower's contribution towards their monthly mortgage payment at 31% or less of their currently gross monthly for the duration of the assistance
3. Target Population/Area	The target population includes eligible homeowners whose hardship is caused by unemployment.
4. Program Allocation (Excluding Administrative Expenses)	\$36,000,000.00
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Borrower must provide proof they applied for unemployment benefits and was approved or denied (UB107, UB100, Claim status report). • Borrower must occupy the subject property as their primary residence. • All borrowers must sign a hardship affidavit and felony certification. • One or more of the responsible borrowers must be unemployed. • Borrowers must participate in quarterly face-to-face continued eligibility verification. • 120% of AMI maximum household income.
6. Property/Loan Eligibility Criteria	<p>The property must be the borrower's principal residence; additional property criteria must be met as well which include:</p> <ul style="list-style-type: none"> • Unpaid principal balance equal to or less than GSE loan limits • Property must be owner-occupied • Primary mortgage must be delinquent by at least 2 payments • Program payments must go toward a first mortgage • Mortgage(s) must be purchase money or refinanced (no cash out mortgage) • Single family dwelling (1 to 4 units)
7. Program Exclusions	The Servicer is not required to accept mortgage assistance payment if a notice of trustee/sheriff sale has been recorded.

	<ul style="list-style-type: none"> • Mortgages that are in foreclosure • Borrower(s) whose current 1st mortgage PITI payment is greater than the program maximum of \$2,000 plus the Borrower(s) 31% contribution • Properties with a filed Notice of Trustee's Sale • Properties that have been used for a cash-out refinance
8. Structure of Assistance	AHFPFC will execute and record a non-recourse, non-interest bearing forgivable note of no more than 5 years in duration, secured by a junior lien on the property. The note amount will be forgiven at the completion of the loan term. If the borrower refinances or sells the property within the forgivable period, payment will be required if there is sufficient equity to repay. All funds recycled into the program will be returned to the Treasury after 12/31/2017.
9. Per Household Assistance	<p>Servicers have no responsibility for monitoring individual program participation and are not required to refund payments received that exceed individual program caps.</p> <ul style="list-style-type: none"> • Maximum monthly assistance of \$2,000.00 or 70% of monthly PITI mortgage payment based on applicants financial ability • Maximum number of past due mortgage payments is up to 12 which allows for a minimum of 12 months of monthly mortgage payment assistance • \$50,000.00 per household
10. Duration of Assistance	<p>Servicers have no responsibility for monitoring payment duration.</p> <ul style="list-style-type: none"> • Up to 24 months of mortgage payment assistance • Benefits may be provided up to two months posts re-employment provided the 24 months maximum of mortgage payment assistance has not been met
11. Estimated Number of Participating Households	<p>Based on AHFPFC eligibility criteria and available funding we expect to provide assistance to the following number of households.</p> <ul style="list-style-type: none"> • 1,440
12. Program	It is expected that the program will be available in a controlled rollout environment 3 weeks from Treasury's approval of the

Inception/Duration	<p>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>Approximately one to three years or until AHFPFC funds are fully utilized. All funds still available after 12/31/2017 will be returned to Treasury.</p>
13. Program Interactions with Other Programs (e.g.other HFA Programs)	N/A
14. Program Interactions with HAMP	<p>AHFPFC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPFC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPFC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.</p>
15. Program Leverage with Other Financial Resources	<p>Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made. If the loan is reinstated or modified following AHFPFC mortgage assistance servicers will waive all administrative fees accrued since the beginning of the delinquency.</p>
16. Qualify as an Unemployment Program	N/A

SERVICE SCHEDULE B-4

SAVEMYHOMEAZ Transition Assistance Component Summary Guidelines

1. Program Overview	<p>The transition assistance component will provide the eligible borrower the funds needed to relocate when a Short Sale has been approved by the homeowner's servicer. Assistance is for borrowers who can no longer afford their home due to hardship such as unemployment, underemployment, death, disability or divorce of a homeowner or co-homeowner.</p> <p>AHFPPC is responsible for screening borrowers to determine program eligibility.</p> <p>Borrowers will be required to maintain the property until the home is sold.</p> <p>AHFPPC will, provide funds directly to the homeowner once the Short Sale has funded.</p>
2. Program Goals	<p>The program was designed to help stabilize communities by providing assistance to borrowers in unrecoverable situations to transitioning from homeownership to rental housing.</p>
3. Target Population/Area	<p>The targeted populations are households whose income does not exceed 120% Area Median Income ("AMI") and that exhibit an inability to retaining their home.</p>
4. Program Allocation (Excluding Administrative Expenses)	<p>\$4,800,000.00</p>
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• The household must have gross income of no more than 120 percent of the area median income for the County in which the property is located.• Eligible financial hardship. Eligible financial hardships include: reduced income due to unemployment, underemployment, death, disability or divorce of a homeowner or co-homeowner. Borrower will be required to provide a financial hardship affidavit.• Borrower (s) must provide proof of Short Sale approval from Servicer and Final HUD-1 prior to release of funds.• All borrowers must sign a hardship affidavit and felony certification.
6. Property/Loan	<p>The property must be the borrower's principal residence;</p>

Eligibility Criteria	<p>additional property criteria must be met as well which include:</p> <ul style="list-style-type: none"> • Unpaid principal balance equal to or less than GSE loan limits • Property must be owner-occupied • Mortgage(s) must be a minimum of 2 monthly payments delinquent • Single family dwelling (1 to 4 units)
7. Program Exclusions	<ul style="list-style-type: none"> • Property located outside of Arizona • Refinance cash out mortgages • Borrowers who apply for assistance after the short sale has been completed are ineligible to participate • Borrowers who are executing a “strategic default” are ineligible (determination made through program underwriting guidelines)
8. Structure of Assistance	<p>Assistance under this component will not be structured as a loan.</p>
9. Per Household Assistance	<ul style="list-style-type: none"> • \$4,500.00 per household receiving no other transition assistance. • Borrowers participating in Home Affordable Foreclosure Alternative (HAFA) Assistance may be compensated up to \$1,500 (which with the \$3,000 HAFA assistance brings total assistance to borrower to \$4,500.) • Borrowers participating in a comparable proprietary program offered by a Servicer may be provided with assistance up to an amount that when coupled with the Servicer’s assistance does not exceed \$4,500.
10. Duration of Assistance	<p>Program is a one-time payment per borrower household, made upon close of escrow on the short sale.</p>
11. Estimated Number of Participating Households	<p>Based on AHFPFC eligibility criteria and available funding we expect to provide assistance to a minimum of 960 households. Based on the average amount of assistance expected, the number of households could be as many as 1,200.</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</p>

	<p>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.</p>
13. Program Interactions with Other Programs (e.g.other HFA Programs)	N/A
14. Program Interactions with HAMP	AHFPPC's program may interact with aspects of the Making Home Affordable Program (MHA) as AHFPPC tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the AHFPPC provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	N/A
16. Qualify as an Unemployment Program	N/A