



Arizona Department of Housing

HARP 2.0 & Non-HARP HHF Principal Reduction Lender Participation Agreement & Signup Package

Enclosed:

- 1. Fannie and Freddie HARP HHF Guidance**
- 2. Lender Participation Agreement**
- 3. HARP 2.0 & Non-HARP Operational Process Matrix**
- 4. Marketing Sheet for HARP 2.0 & Non-HARP / HHF PRA Component**
- 5. Program Fact Sheet (for all components)**
- 6. Term Sheets (for all components)**
- 7. Sample Unsecured Promissory Note**
- 8. Sample Certificate of Eligibility**
- 9. Primary Contact Sheet**

Please return the following items:

- 1. Signed Lender Participation Agreement**
- 2. List of your locations, if applicable**
- 3. Primary Contact Sheet**



Bulletin

NUMBER: 2012-12

TO: Freddie Mac Sellers

May 24, 2012

SUBJECT: STATE HOUSING FINANCE AGENCY PROGRAMS IN SUPPORT OF THE HOME AFFORDABLE REFINANCE PROGRAM

The Treasury has awarded \$7.6 billion in funding for innovative programs developed by state Housing Finance Agencies (“HFAs”) to stabilize local housing markets and prevent foreclosures in 18 states and the District of Columbia. The Hardest Hit Fund (HHF) programs provide funding for various purposes, including funds for principal curtailment, to help homeowners obtain more affordable mortgages or to help homeowners retain their homes.

HFAs have established programs utilizing HHF program funds to support the Home Affordable Refinance Program (HARP). Each participating HFA establishes its own eligibility guidelines for Borrower participation and approves the provision of HHF program funds.

With this *Single-Family Seller/Servicer Guide* (“Guide”) Bulletin, we are announcing that, effective immediately, for Relief Refinance MortgagesSM, the use of HHF program funds by an HFA to pay down or curtail the outstanding mortgage balance on a Borrower’s existing loan at the time of refinancing and/or to pay Closing Costs, Financing Costs and Prepaids/Escrows for the Relief Refinance Mortgage is permitted, as long as the funds provided by the HFAs do not result in a lien on the property. The Mortgage file must contain documentation verifying the terms and conditions of the HHF funds provided to the Borrower. When repayment of funds is required, the verified payment must be included in the monthly debt payment-to-income ratio, unless the calculation of the debt payment-to-income ratio is not required or repayment of funds is due only upon sale or default. The HHF program funds must be reflected on the HUD-1 Settlement Statement. The Seller remains responsible for ensuring that all requirements of its Purchase Documents, including, but not limited to, requirements related to Relief Refinance Mortgages/HARP have been met. The Guide will be updated at a later date to reflect these changes.

Sincerely,

Laurie A. Redmond
Vice President
Offerings Effectiveness

Selling Guide Announcement SEL-2012-09

September 14, 2012

Updates to Refi Plus™ and DU Refi Plus™

The positive impact of Refi Plus and DU Refi Plus continues, enabling borrowers who have demonstrated an acceptable payment history on their existing Fannie Mae mortgage loan to refinance and obtain a lower payment or move to a more stable product or shorter term. To help lenders more efficiently reach an even broader base of eligible borrowers, Fannie Mae is announcing a number of enhancements to the underwriting and documentation policies for Refi Plus (manual only) and DU Refi Plus mortgage loans including:

- Reducing representations and warranties
- Providing an alternative to income verification for Refi Plus loans with payment changes less than or equal to 20%
- Reducing documentation for income and assets
- Providing an alternative qualification method when removing a borrower
- Clarifying use of Hardest Hit Fund® programs
- Removing requirement for *Single-Family Comparable Rental Schedule* (Form 1007) for investment properties

Effective Date

Unless otherwise noted, these policy updates are effective immediately. The *Selling Guide* will be updated at a later date to incorporate these changes.

Reducing Representations and Warranties

Selling Representations and Warranties

Earlier this week, Fannie Mae announced that lenders will be relieved of their obligation to remedy Refi Plus and DU Refi Plus mortgage loans that are in breach of certain underwriting and eligibility representations and warranties if the borrower was not 30 days delinquent during the 12 months following the acquisition date of the mortgage loan. This new policy will apply to Refi Plus and DU Refi Plus mortgage loans acquired on or after January 1, 2013. Refer to [Announcement SEL-2012-08, *New Lender Selling Representations and Warranties Framework*](#) for complete details.

Property Representations and Warranties

Fannie Mae will now grant additional representation and warranty relief for Refi Plus and DU Refi Plus mortgage loans with regard to the subject property.

For Refi Plus and DU Refi Plus mortgage loans where a new appraisal is obtained, the lender is not required to make any representation or warranty as to the value, marketability, or condition of the subject property.

- Appraisal Condition and Quality Ratings: Lenders may deliver loans on properties with a condition rating of C6 and/or a quality rating of Q6 completed on an “as-is” basis. There is no requirement for the appraisal to be completed “subject to” repairs being made.
- The lender is not responsible for the following requirements in the *Selling Guide*, B4-1.1-01: General Information on Appraisal Requirements (Lender Responsibilities):
 - accuracy and completeness of the appraisal and its assessment of the marketability of the property;
 - underwriting the completed appraisal report to determine whether the subject property presents adequate collateral for the mortgage;
 - ensuring that the appraiser uses sound reasoning and provides evidence to support the methodology used for developing the value opinion, particularly in cases that are not covered by Fannie Mae guidelines; and
 - ensuring that the appraiser provides an accurate opinion, an adequately supported value, and an accurate description of the property.

Providing an Alternative to Income Verification for Refi Plus Loans with Payment Changes Less than or Equal to 20%

Currently, for Refi Plus mortgage loans with payment changes (principal and interest) less than or equal to 20%, Fannie Mae requires verification that at least one of the borrowers has a source of income (see B5-5.2-02, DU Refi Plus and Refi Plus Underwriting Considerations). In lieu of this verification, Fannie Mae will now allow verification of liquid financial reserves equal to at least 12 months of the new mortgage payment (PITIA) on the subject property. These reserves must be documented with at least one recent statement (monthly, quarterly, or annual) and are limited to the following types of liquid assets:

- checking or savings accounts, certificates of deposit, and money market funds;
- investments in stocks, bonds, mutual funds; and
- the amount vested in a retirement savings account.

Lenders are not required to investigate large deposits that appear on the statements. However, Fannie Mae policy requires that certain assets be “discounted” when used for reserves – this policy also applies to Refi Plus mortgage loans. Refer to the applicable asset type in the *Selling Guide* for additional information.

NOTE: *There are no changes to the requirements related to verification of assets for closing. Lenders do not have to verify assets required to close for Refi Plus mortgage loans with payment changes less than or equal to 20%.*

Delivery of Income

Income must be reported to Fannie Mae for all Refi Plus and DU Refi Plus mortgage loans at the time of loan delivery even for those Refi Plus transactions where there is no maximum DTI ratio. For Refi Plus mortgage loans with payment changes less than or equal to 20%, the lender must report the stated income on the loan application (if any). If the borrower does not state any income and the lender uses the reserve alternative option (described above) as the income source, the lender must deliver the equivalent of the new monthly payment (PITIA) as the “Monthly Income” data element (Sort ID 291).

Reducing Documentation for Income and Assets

To provide additional flexibility and efficiency for lenders in originating Refi Plus and DU Refi Plus mortgage loans, Fannie Mae is further streamlining the minimum amount of documentation that is required for income

and assets. These changes will provide consistency across income and asset types and align Refi Plus and DU Refi Plus requirements.

Effective immediately, the following policies apply to Refi Plus mortgage loans with payment increases (principal and interest) greater than 20% and to all DU Refi Plus mortgage loans:

- All income and assets sources must be eligible sources and verified per the minimum documentation requirements described in the Attachment to this Announcement.
- All income and asset documents must follow Fannie Mae's standard requirements for age of documents.
- Lenders are not required to verify or assess the borrower's history of receipt of income or the anticipated continuity of the income.
- Fannie Mae's standard requirements regarding the Request for Transcript of Tax Return (IRS Form 4506-T) are applicable, including the requirement that each borrower must complete and sign a separate IRS Form 4506-T at or before closing.
- Fannie Mae's standard requirements for verbal verifications of employment apply.
- Lenders are not required to investigate large deposits that appear on bank or other asset statements.
- Proof of liquidation of assets (e.g., sale of stock) is not required even if those assets are used by the borrower to pay closing costs.

NOTE: For DU Refi Plus loan casefiles, lenders can follow the documentation requirements in the Attachment and may disregard the messages shown on the DU Underwriting Findings report if they require a deeper level of documentation. See the Attachment for additional information.

Providing an Alternative Qualification Method When Removing a Borrower

For both Refi Plus and DU Refi Plus mortgage loans, a borrower who is being removed through the refinance transaction is no longer required to be removed from the deed or title to the property and retain no ownership interest in that property. As a reminder, each person who has an ownership interest in the security property, even if the person's income is not used in qualifying for the mortgage loan, must sign the security instrument. (See B8-2-03, Signature Requirements for Security Instruments, for additional information.)

For Refi Plus mortgage loans, if a borrower is being removed from the transaction for a reason other than death, the current policy requires that the remaining borrower demonstrate that he or she has been making the mortgage payments for the prior 12 months. Fannie Mae is now offering an additional option for assessing the remaining borrower's ability to repay the mortgage loan. In lieu of obtaining documentation of payments made for the prior 12 months, the remaining borrower(s) may instead be evaluated based on the eligibility and underwriting requirements applicable to Refi Plus mortgage loans with a payment increase greater than 20%, regardless of the actual payment change. These requirements include, but are not limited to, a maximum total debt-to-income ratio of 45%, a minimum credit score of 620, and documentation of income and assets required for closing.

Clarifying Use of Hardest Hit Fund Programs

For both Refi Plus and DU Refi Plus mortgage loans, Fannie Mae permits grant-like unsecured financing provided to the borrower through a Housing Finance Agency's Hardest Hit Fund (HHF) program for the purpose of paying down the outstanding mortgage balance at the time of closing or for the payment of closing costs.



In B5-5.2-01, DU Refi Plus and Refi Plus Eligibility, Fannie Mae currently requires that the loan file be documented with a copy of the promissory note or other documentation specifying the terms and conditions of the loan and include language indicating that repayment is not expected. Inclusion of the “no repayment” language in the note or other documentation is no longer required. However, if these documents do indicate that repayment of the HHF amount is expected, the corresponding monthly payment must be included in the debt-to-income ratio unless repayment is only due upon sale or default.

Removing Requirement for Single-Family Comparable Rent Schedule (Form 1007) for Investment Properties

For Refi Plus loans and DU Refi Plus loan casefiles, it will no longer be necessary for the lender to obtain the Form 1007 if the borrower is refinancing an investment property and using rental income to qualify. Lenders may disregard the DU message that requires the Form 1007.

NOTE: *As a reminder, lenders must report gross monthly rent in the loan delivery data for all investment properties and two-to-four unit principal residence properties, regardless of whether the borrower is using rental income to qualify for the mortgage loan. Refer to the Selling Guide, A3-4-02, Data Quality and Integrity for additional information.*

Lenders who have questions about this Announcement should contact their Account Team.

John Forlines
Senior Vice President
Chief Credit Officer for Single-Family

LENDER PARTICIPATION AGREEMENT

THIS AGREEMENT made and entered into as of the ____ day of _____, 20__ by and between the Arizona Home Foreclosure Prevention Funding Corporation (hereinafter referred to as "AHFPFC"), and _____, (hereinafter referred to as the "Lender" or "Contractor").

RECITAL PARAGRAPHS

WHEREAS, On February 19, 2010, President Obama announced \$1.5 billion in funding for innovative measures to help families in the states that have been hit the hardest by the aftermath of the burst of the housing bubble; and

WHEREAS, AHFPFC is an eligible state Housing Finance Agency ("HFA") for receipt of funds to be used to pay for programs designed to prevent avoidable foreclosures and other permitted uses under the Emergency Economic Stabilization Act of 2008, as amended ("EESA"); and

WHEREAS, AHFPFC has established the Save Our Home AZ (hereinafter referred to as the "Program") administered by the Arizona Department of Housing ("ADOH") to make these HFA Hardest Hit Funds ("HHF") available to qualified households for the purposes of EESA; and

WHEREAS, AHFPFC has prepared a program manual (hereinafter referred to as the "Program Manual") that further describes the Program. The Program Manual and the forms contained therein, each as may be amended from time to time, are collectively referred to as the "Program Documents"; and

WHEREAS, an eligible lender who participate in the Program are referred to as "Participating Lender" and Lender wishes to participate in the Program by making Program funds available for the purpose of a cash contribution in conjunction with a HARP 2.0 or other qualified refinance.

AGREEMENT

NOW, THEREFORE, in consideration of ten dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, and the promises set forth herein, the parties agree as follows:

1. The recital paragraphs set forth above shall be considered part of this Agreement.

2. The Lender warrants that it is familiar with the Program and with the guidelines established by AHFPFC made available to Lender, including but not limited to the component guide (“Component Guide”), together with all other applicable guidelines (collectively “Component Documents”) and the terms and provisions of the ESSA. The Lender hereby agrees to comply with all provisions of applicable federal and state law, and Program regulations and guidelines.
3. The Lender agrees to attend and participate in all training and orientation sessions for the Program as required by ADOH.
4. Lender warrants that it is familiar with the qualifications of applicants and properties for funding through the Program and through HARP 2.0 or other qualified refinance products and is authorized to originate these loans.
5. The Lender’s signatory below warrants that he or she is duly authorized to bind the Lender.
6. AHFPFC has provided the Lender with a copy of the Component Documents. AHFPFC agrees to provide the Lender with any amendments to such documents, and the Lender agrees to comply with all such documents, as they may be amended from time to time, in performing its obligations under this Agreement.
7. In the event that a term or provision of the Component Guide conflicts with the Program Documents, the Program Documents shall control. Any conflict or ambiguity in the Program Documents shall be resolved consistent with the Program Manual and the terms and provisions of the ESSA.
8. AHFPFC hereby designates the Lender as an eligible Participating Lender for the purpose of originating HARP 2.0 or other qualified refinance loans for qualified applicants in the Program. The Lender acknowledges that AHFPFC may enter into Lender Participation Agreements with other financial institutions in connection with the Program.
9. The Lender shall make information regarding the Program available to potential qualified applicants. The Lender shall process and review the application for any potential qualified applicant in order to determine eligibility for the Program.
10. When qualifying an applicant for assistance according to the Component Guide, the Lender shall exercise the same level of diligence in the evaluation of an application for the Program including but not limited to the gathering, investigation, and verification of facts and information pertinent to such an application that it would normally perform for underwriting an application for a residential real-estate finance loan in its ordinary course of business.

11. The Lender shall conduct such reasonable investigation as is necessary to certify that the applicant has satisfied all requirements of the HARP 2.0 or other qualified refinance loan product.
12. The Lender shall cooperate with the AHFPFC, homebuyer counseling agencies and other parties as necessary to carry out the purposes of the Program.
13. The Lender shall charge a potential qualified applicant applying for the Program assistance accordingly to the Component Guide only those reasonable fees as would be charged to a potential borrower applying for mortgages not provided in connection with a the Program. Each loan made by Lender shall be evidenced by a promissory note and secured by a deed of trust or other security instrument encumbering the property.
14. Notwithstanding any other provision of this Agreement, in no event shall AHFPFC be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including but not limited to lost profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.
15. Any notice or other communication shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested or overnight courier, return receipt requested, with postage prepaid, addressed as follows:

To AHFPFC:

Arizona Home Foreclosure Prevention Funding Corporation
 c/o Arizona Department of Housing
 1110 West Washington, Suite 280
 Phoenix, AZ 85007
 Attn: Reginald Givens
 Save Our Home AZ, Foreclosure Assistance Administrator

To Lender:

ATTN: _____

16. Any notice or other communication shall be deemed given upon the earlier of two (2) days after the date when mailed if sent by first class, certified or overnight courier, or upon the date personal delivery is made.

17. This Agreement shall remain in full force and effect until terminated. Either party may terminate this Agreement, without cause, upon thirty (30) days written notice to other party.
18. AHFPFC may immediately terminate this Agreement by written notice as provided in Section 15 above and prohibit the Lender from participation in the Program upon the Lender's failure to comply with the terms and conditions of this Agreement and the Program Documents.
19. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.
20. Every payment obligation of the AHFPFC under this Agreement is conditioned upon the availability of funds allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the AHFPFC. No liability shall accrue to the AHFPFC or any other agency of the State of Arizona in the event this provision is exercised, and neither the AHFPFC nor any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
21. Pursuant to A.R.S. §§ 35-214 and 35-215, the Contractor shall retain all data, books and other records ("Records") relating to this Agreement for a period of five years after completion of the Agreement. All Records shall be subject to inspection and audit by the State of Arizona at reasonable times. Upon request, the Contractor shall produce the original of any or all such Records.
22. The requirements of A.R.S. § 38-511 apply to this Agreement. AHFPFC may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the AHFPFC is, at any time while this Agreement or any extension is in effect, an employee or agent of Contractor respect to the subject matter of this Agreement.
23. Contractor shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations. Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

24. The Lender acknowledges that, pursuant to the Americans with Disabilities Act (“ADA”), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Lender shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Lender agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Lender, its employees, agents or assigns shall constitute a material breach of this Agreement.
25. Scrutinized Business Operations. Pursuant to A.R.S. § 35-391.06 and 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term “scrutinized business operations” shall have the meanings set forth in A.R.S. § 35-391 or and 35-393, as applicable. If the State of Arizona or AHFPFC determines that the Contractor submitted a false certification, the AHFPFC may impose remedies as provided by law including cancellation or termination of this Agreement.
26. Compliance requirements for A.R.S. § 41-4401—immigration laws and E- Verify requirement.
- a. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.”)
 - b. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the Contractor may be subject to penalties up to and including termination of the Agreement.
 - c. AHFPFC retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the Contractor or subcontractor is complying with the warranty under paragraph 25(a).
27. Contractor assigns to AHFPFC any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Contractor toward fulfillment of this Agreement.
28. This Agreement shall be construed in accordance the laws of the State of Arizona.

29. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

THIS AGREEMENT is entered into as of the day and year written above.

Lender's Name:

Address:

Telephone #

Fax #

Email

Lender's Authorized Representative:

Printed Name

Signature

Date

Title

ARIZONA HOME FORCLOSURE PREVENTION FUNDING CORPORATION By:

Michael Traylor, Chairman of the Board

Printed Name / Title

Signature

Date

Lender Primary HARP 2.0 / HHF Contact List

Day-to-Day Contact:

Name: _____

Phone: _____

Email: _____

Accounting/Payments/ACH/Wires Contact:

Name: _____

Phone: _____

Email: _____

Administrative Contact:

Name: _____

Phone: _____

Email: _____

**HARP 2.0 & Non- HARP Hardest Hit Funds (HHF)
Operational Process Guidelines**

		AZ GUIDELINES
HHF Eligibility		
1	Applications on or after	OPEN
2	Expiration of HARP Component HARP NOT Non-HARP	12/31/2015
3	Examples of Non-HARP	VA / USDA / FHA
4	Use of HHF Funds	Principal Curtailment and/or Closing Costs. Overlay by Lender to permit Principal Curtailment only is permitted. Funds may NOT be used for cash back to borrower.
5	Eligibility for HHF Funds	Determined by AZ Department of Housing LTV or Combined LTV >120% Income <=150% Area Median Income Primary Residence, Owner Occupied
6	Lender to revalidate eligibility guidelines for HHF	No
7	Max amount of HHF per property	\$100,000
8	State to solicit eligible borrowers	Yes, beginning September 2012. Pre-screened population.
9	State to provide list of solicited borrowers to Lenders	No. We will issue a certificate of eligibility to the borrower to share with the lender.
10	Borrower contacts state for Eligibility Certificate for HHF Funds	Yes
Certificate		
11	Certificate to reflect a Certificate Number to be referenced in all communication with state regarding transaction	Yes
12	Certificate to reflect amount of HHF Funds approved	Yes
13	Certificate to reflect designated closing agent	Yes All loans must close through Fidelity National Title - Arrowhead Location. Escrow Officer: Nancy Enrico 19420 N. 59th Avenue, Suite D140 Glendale, AZ 85308
14	Lender required to collect certificate	Copy is acceptable. Borrower may retain original.
15	Certificate Expiration	120 days
16	Extension Permitted	An extension is permitted with lender's HARP final approval Lender must request from designated email address, SaveMyHome@azhousing.gov and must outline reason for delay. Only one 30 day extension will be permitted. Delay may not be the fault of the borrower. Borrower may not request the extension. Request must include Certificate # and property address.
HARP 2.0 Application & Eligibility		
17	Borrower required to apply through current servicer	No
18	HARP 2.0 Refinance eligibility	Determined by Lender. Standard guidelines plus HHF.

HARP 2.0 & Non- HARP Hardest Hit Funds (HHF) Operational Process Guidelines

AZ GUIDELINES

Receipt of HHF funds

19	Lender notifies State prior to closing to request HHF funds	3-5 days prior to closing. Use designated Email address: SaveOurHome@azhousing.gov. Include Certificate #, property address, and borrower's initials, date of closing, and contact/wiring information on closing agent.
20	State wires funds to Closing Agent	Prior to closing date.
21	HHF funds must be reflected on HUD-1	Yes, per Fannie & Freddie.
22	HUD-1 considerations	If additional funds are applied to principal curtailment by the Lender, they may be aggregated with the HHF funds on the HUD-1.
23	Copy of executed HUD-1 must be returned to State after closing	Must be emailed to designated Email address, SaveOurHome@azhousing.gov. Must reflect transfer of HHF to borrower. Fidelity National Title will handle this.

Promissory Note

24	Borrower must execute Promissory Note for HHF at closing	Promissory Note provided by AZ.
25	Lender notifies State prior to closing to request HHF Promissory Note	Simultaneous with request of funds see item #19 above.
26	State emails Promissory Note to Closing Agent	Prior to closing date.
27	Executed Promissory Note must be returned to State after closing	May be emailed to designated Email address SaveOurHome@azhousing.gov. State must retain the original. Must show Notary's acknowledgement Fidelity National Title will handle this.
28	Copy of executed Promissory Note must be retained in file	Yes, per Fannie & Freddie. Does not have to be validated by Document Custodian.
29	Promissory Note is not a lien against the property	No lien against property.
30	Promissory Note does not require recording	May not be recorded.
31	Promissory Note does not require right of rescission	However, the Promissory Note is signed concurrently with the loan documents

Loan Payoff

32	Promissory Note requires repayment if loan pays off within 60 months	ADOH Is responsible for the monitoring of the payoff of the loan, and handling any payoff.
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GSE Loan Number

33	GSE Loan Number must be provided after closing	May follow HUD-1 and Promissory Note. Must be sent to GSE within 120 days of closing. The loan originator must handle this.
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Miscellaneous

34	Communication	All communication regarding a loan transaction must be sent through secure file transfer portal (this should be limited by its nature).
35	Reporting Requirements	No reporting requirements from Lender except for the GSE Loan Number, see item #33.

The Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC), Save Our Home AZ (SOHAZ) Program was created to assist responsible homeowners avoid foreclosure on their primary Arizona residence.

Home Affordable Refinance Program (HARP) 2.0 Principal Reduction Contribution Information

In conjunction with a HARP 2.0 refinance, homeowners may qualify to have their principal reduced to 100% Loan to Value by Save Our Home AZ.

Qualifications:

- Max Program Contribution is \$100,000.
- Homeowner's loan must be owned by Fannie Mae or Freddie Mac.
- Household may not have Gross Income of more than 150% of Area Median Income (AMI) (i.e., for a family of four in Maricopa County the income limit is \$96,000 or less).
- Eligible properties may not have an outstanding mortgage(s) in excess of 150% of purchase price.
- Property must be the homeowner's primary residence.
- Current Loan to Value (LTV) or Combined Loan to Value (CLTV) must be more than 120%.
- Principal reduction target of 100% LTV after HARP 2.0 refinance.
- Assistance will be provided without a lien.
- Unsecured promissory note signed concurrently with HARP 2.0 refinance.
- May be combined with Second Mortgage Settlement Assistance up to \$60,000 or 40% of outstanding second mortgage balance.

Application Process:

- Homeowner submits signed documents to SOHAZ by fax or mail*
Mailing Address: 1110 W Washington Street, Suite 280
Phoenix, AZ 85007
Fax Number: 800-957-5817
- Homeowner receives Certificate from SOHAZ to take to lender.
- Lender *pre-approves* customer for HARP 2.0 refinance.
- Customer completes SOHAZ online Self-Assessment & Application.
- Counselor completes credit counseling and collects any missing documents.
- Simultaneous close with HARP 2.0 refinance.

* Request for HARP Assistance, Frank-Dodd Certification, Third Party Agreement, Current Income (i.e. paystubs, social security, etc), Current Mortgage Statement

The Save Our Home AZ Program is administered by the Arizona Department of Housing on behalf of the Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC). Funds for the Program come from the U.S. Department of Treasury, Housing Finance Agency Innovation Fund for the Hardest-Hit Housing Markets. The Program provides assistance to eligible Arizona homeowners in the form of Principal Reduction Assistance for modification or eligible refinances, Unemployment/Underemployment Mortgage Assistance, Reinstatement of delinquent payments, Second Lien Elimination, and Short Sale Assistance.

Qualifications

Eligibility for the Save Our Home AZ assistance is based on a variety of factors.

- Properties that have been used for cash-out are eligible if current mortgage(s) do not exceed 150% of the original purchase price.
- The homeowner must document a 10% or greater reduction of income.*
- Assistance provided for mortgage(s) that total less than \$500,000.
- The homeowner's current mortgage payment(s) is greater than 31% of the borrower's gross, pre tax monthly income.*
- Homeowner may be current on their mortgage provided they are at risk of imminent default. Otherwise, homeowner must be 2 payments past due.*
- Homeowner must be no less than 30 days from Trustee Sale Date.
- The household must have gross income (the total income before taxes, health care costs, social security, etc.) of no more than 150 percent of the area median income for the County in which the property is located. The table below reflects 150 percent of the area median income by Household Size and County.

*These qualifications apply to those seeking unemployed or underemployed payment assistance.

Save Our Home AZ - Maximum Household Income Allowed								
County	Household Size (persons)							
	1	2	3	4	5	6	7	8 or more
Apache	\$48,750.00	\$55,687.50	\$62,625.00	\$69,562.50	\$75,187.50	\$80,718.75	\$86,343.75	\$91,875.00
Cochise	\$56,625.00	\$64,687.50	\$72,750.00	\$80,812.50	\$87,281.25	\$93,750.00	\$100,218.75	\$106,687.50
Coconino	\$63,281.25	\$72,281.25	\$81,281.25	\$90,281.25	\$97,593.75	\$104,812.50	\$112,031.25	\$119,250.00
Gila	\$53,437.50	\$61,031.25	\$68,625.00	\$76,218.75	\$82,406.25	\$88,500.00	\$94,593.75	\$100,687.50
Graham	\$55,500.00	\$63,375.00	\$71,343.75	\$79,218.75	\$85,593.75	\$91,968.75	\$98,250.00	\$104,625.00
Greenlee	\$56,718.75	\$64,875.00	\$72,937.50	\$81,000.00	\$87,562.50	\$94,031.25	\$100,500.00	\$106,968.75
La Paz	\$48,750.00	\$55,687.50	\$62,625.00	\$69,562.50	\$75,187.50	\$80,718.75	\$86,343.75	\$91,875.00
Maricopa	\$67,218.75	\$76,875.00	\$86,437.50	\$96,000.00	\$103,687.50	\$111,375.00	\$119,062.50	\$126,750.00
Mohave	\$48,750.00	\$55,687.50	\$62,625.00	\$69,562.50	\$75,187.50	\$80,718.75	\$86,343.75	\$91,875.00
Navajo	\$48,750.00	\$55,687.50	\$62,625.00	\$69,562.50	\$75,187.50	\$80,718.75	\$86,343.75	\$91,875.00
Pima	\$61,968.75	\$70,875.00	\$79,687.50	\$88,500.00	\$95,625.00	\$102,750.00	\$109,781.25	\$116,906.25
Pinal	\$67,218.75	\$76,875.00	\$86,437.50	\$96,000.00	\$103,687.50	\$111,375.00	\$119,062.50	\$126,750.00
Santa Cruz	\$48,750.00	\$55,687.50	\$62,625.00	\$69,562.50	\$75,187.50	\$80,718.75	\$86,343.75	\$91,875.00
Yavapai	\$58,875.00	\$67,218.75	\$75,656.25	\$84,000.00	\$90,750.00	\$97,500.00	\$104,250.00	\$110,906.25
Yuma	\$52,312.50	\$59,812.50	\$67,312.50	\$74,718.75	\$80,718.75	\$86,718.75	\$92,718.75	\$98,718.75

This document is not all inclusive of the complete SaveOurHomeAZ program guidelines. To determine program eligibility, a homeowner must complete an assistance application and provide all necessary supporting documents to be reviewed by the Program underwriters.

Eligible Properties

- Owner Occupied, Primary Residences, no Second Homes.
- Single Family Residences, One to Four Unit Dwellings, Condos and Townhomes.

ADOH Assistance Loan Terms (Short Sale Assistance provided as a Grant)

- \$100,000 Max Loan/Assistance Amount.
- All loans are zero percent interest with no monthly payment.
- 5 year loan term.
- Loan is satisfied (forgiven) at the end of the term and upon successful completion of the program.

Assistance Types

Principal Reduction Assistance: Permanent Mortgage Modification or Eligible Refinance Contribution

- 1). Assistance of up to \$100,000 (including all other program assistance).
- 2). Principal Reduction contribution is provided on approved HARP 2.0 eligible refinances and other similar eligible refinances.
- 3). Principal Reduction Assistance requires servicer / lender participation.
- 4). Mortgage balance greater than 120% of subject property's Fair Market Value, before modification or refinance. Under 120% requires minimum of \$20,000 negative equity.

Second Mortgage Settlements and Extinguishments

- 1). Extinguishment Assistance available up to \$60,000.
- 2). Combined mortgage balance of first and second lien is greater than 120% of subject property's Fair Market Value. Under 120% requires minimum of \$20,000 negative equity.
- 3). Settlement Assistance up to 40% of outstanding loan balance, up to \$8,500.00 maximum, when combined with Short Sale Assistance component below

Unemployment/Underemployment (Reinstatement) Mortgage Assistance (UMA)

- 1). Assistance up to \$100,000 (including all other program assistance).
- 2). Maximum amount of monthly UMA assistance of \$2,000, to a maximum term of 24 months. Homeowners with a current monthly income source (excluding DES unemployment benefits) are required to contribute 31% of their income toward the first mortgage payment).
- 3). Reinstatement assistance may bring the first mortgage current by curing all past due payments including; accrued interest, late fees, NSF fees and any legal fees. If upfront reinstatement is combined with UMA, the maximum number of payments rescued is twelve, with the number of remaining payments reduced by the number of delinquent months reinstated. Reinstatement is generally provided once the homeowner is financially able to resume making monthly mortgage payments without program assistance. If reinstated as a standalone program component the twelve month cap does not apply.
- 4). Reinstatement assistance is available up to \$48,000.

Short Sale Assistance

- 1). Assistance up to \$25,000.00 (including all other program assistance) distributed as described below.
- 2). Maximum of \$4,500.00 in transition assistance paid to the consumer.
- 3). Maximum of 3% of the sales price for buyer's closing costs paid on behalf of the seller.

How do I Start?

To determine eligibility for the SOHAZ program, log on to our website www.azhousing.gov and complete an on-line application. You will be contacted by a counselor within seven days of completing your application. For more information or to complete an application by phone, contact the Arizona Foreclosure Help Line at (877) 448-1211.

SERVICE SCHEDULE B-1

**SAVEOURHOMEAZ
Principal Reduction Assistance
Summary Guidelines**

1. Program Overview	<p>Principal Reduction Assistance is being administered by the Arizona Department of Housing (“ADOH”) on behalf of the Arizona Home Foreclosure Prevention Funding Corporation (“AHFPFC”). Assistance under this component is provided to homeowners who have suffered an eligible hardship to reduce the outstanding principal balances of qualifying properties.</p> <p>Efforts under this component include monetary assistance for: (a) principal reduction of a borrower’s primary mortgage accomplished exclusively through either an interest rate reduction and/or term extension to achieve a permanent modification, or a reamortization of the remaining unpaid principal balance (“recast”) to achieve a lower monthly payment (“Modification or Reamortization PRA”); (b) principal reduction of a borrower’s primary mortgage contingent upon eligibility for a Home Affordable Refinance Program (“HARP”) mortgage refinance or other substantively similar mortgage refinance (“HARP PRA”); (c) reduction or elimination of an amount up to or equal to the existing non-interest-bearing forbearance that was the outcome of a prior loan modification (“Forbearance Elimination”); or (d) principal reduction of primary mortgages in significant negative equity positions for “non-delinquent” borrowers to an amount as close to 100% loan-to-value (“LTV”) ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrowers (“Negative Equity Reduction”).</p> <p>A borrower’s primary mortgage lender may agree to make a matching reduction to the principal balance of the primary loan.</p>
2. Program Goals	<p>The goal of the Principal Reduction Assistance component is to help homeowners avoid foreclosure by reducing the principal balance of their primary mortgage to either (a) facilitate a permanent loan modification or recast that achieves an affordable monthly mortgage payment or (b) reduces a borrower’s negative equity position to an amount as close to 100% LTV ratio as the amount of per-household assistance will permit.</p>

<p>3. Target Population/Areas</p>	<p>The targeted populations are households whose income does not exceed 150% of Area Median Income (“AMI”).</p> <p>It is projected that component 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 component funds Pima County: 9% of component funds Pinal County: 9% of component funds All other areas: 3% of component funds</p>
<p>4. Program Allocation (Excluding Administrative Expenses)</p>	<p>\$97,334,171</p>
<p>5. Borrower Eligibility Criteria</p>	<p><u>General Eligibility Criteria Applicable to All Types of Principal Reduction Assistance:</u></p> <ul style="list-style-type: none"> • Property must be borrower’s primary residence. • Income less than 150% of AMI. • Depending on the agreement with the servicer, eligibility will be determined through an application process and application evaluation by ADOH along with either approved counselors or the servicer. • Requests for Mortgage Assistance with hardship and Dodd Frank Certification. <p><u>Additional Eligibility Criteria Applicable to Each Structure of Principal Reduction:</u></p> <p>(a) In the case of Modification or Reamortization PRA (i.e. principal reduction of a borrower’s primary mortgage accomplished exclusively through either an interest rate reduction and/or term extension to achieve a permanent modification, or a reamortization of the remaining unpaid principal balance (“recast”) to achieve a lower monthly payment:</p> <ul style="list-style-type: none"> • <i>Eligible financial hardships</i>: includes reduced income due to such hardships as underemployment, medical condition, divorce or death, as set forth in the program guidelines. • <i>Post-assistance affordability</i>: a monthly mortgage payment that does not exceed either (1) 31% of the borrower’s gross monthly income; or (2) 40% of the borrower’s gross monthly income for borrowers who

	<p>have demonstrated an ability to make the modified mortgage payment for a 3-month period (“Expanded Affordability”).</p> <p>(b) In the case of HARP PRA (i.e. principal reduction of a borrower’s primary mortgage contingent upon eligibility for a HARP mortgage refinance or other substantively similar mortgage refinance):</p> <ul style="list-style-type: none"> • <i>Post-assistance affordability</i>: determined by the lender’s approval of the HARP or other substantively similar mortgage refinance <p>(c) In the case of Forbearance Elimination PRA (i.e. reduction or elimination of an amount up to the existing non-interest-bearing forbearance that was the outcome of a prior loan modification):</p> <ul style="list-style-type: none"> • <i>Eligible financial hardship</i>: Borrower has an eligible forbearance. Eligible forbearances include a non-interest bearing forbearance that is the outcome of a prior loan modification, such as any forbearance structured through the Home Affordable Modification Program (“HAMP”) or other substantially similar loan modification. • <i>Pre-assistance affordability</i>: <ul style="list-style-type: none"> ○ borrower must be in good standing with the modification ○ monthly mortgage payment must not exceed either (1) 31% of the borrower’s gross monthly income; or (2) 40% of the borrower’s gross monthly income for Expanded Affordability <p>(d) In the case of Negative Equity Reduction PRA (i.e. principal reduction of primary mortgages in significant negative equity positions for “non-delinquent” borrowers to an amount as close to 100% LTV ratio as the amount of per-household assistance will permit to reduce the risk of potential default by such borrowers):</p> <ul style="list-style-type: none"> • <i>Eligible financial hardship</i>: <ul style="list-style-type: none"> ○ “Severe Negative Equity” defined as: (1) a negative equity position in which LTV is 120% or more or (2) a negative equity position in which 10% or more of unpaid principal balance (“UPB”) constitutes negative equity so long as such negative equity amount is at least \$20,000 ○ borrower must not have liquid assets in excess of the total amount of assistance provided under this component (as defined in
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	<p>the program guidelines)</p> <ul style="list-style-type: none"> • <i>Pre-assistance affordability:</i> <ul style="list-style-type: none"> ○ borrower must be “non-delinquent” or made “non-delinquent” at the time of assistance ○ monthly mortgage payment must not exceed either (1) 31% of the borrower’s gross monthly income; or (2) 40% of the borrower’s gross monthly income for Expanded Affordability
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must be owner-occupied. • UPB of the mortgage(s) must be no greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)). • Depending on the agreement with the servicer, servicer may not be required to approve a homeowner’s participation in the component if a trustee’s sale is scheduled to take place within seven days or less from date the servicer is notified of borrower eligibility. • Severe Negative Equity. • Property must be a single-family dwelling (1 to 4 units).
7. Program Exclusions	<ul style="list-style-type: none"> • Current unpaid principal balance(s) exceeds 150% of the homeowner’s purchase price. • Total assistance of \$10,000 or less. • The principal reduction contribution exceeds \$100,000 (the maximum household assistance). • The principal reduction contribution exceeds the amount necessary to bring the outstanding mortgage balance to 100% of the property’s fair market value: except as applied to 5(a). • Properties with an outstanding UPB of the mortgage(s) that is greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)).
8. Structure of Assistance	<p>Depending on the agreement with the servicer, the structure of assistance may be provided in one of the following ways:</p> <ul style="list-style-type: none"> • In the case of Modification or Reamortization PRA, principal reduction assistance may be structured as a one-time up-front, forgivable loan in the amount of the assistance provided to eligible borrowers. Promissory notes evidencing these loans in favor of AHFPFC will be placed on the property as a junior lien. A forgiveness clause will extinguish the loan in the following manner: (a) the loan amount representing the amount necessary to bring the homeowner’s

	<p>LTV down to 100% will be forgiven at the end of five (5) years, and (b) the remainder of the loan amount representing the amount of the loan that brought the homeowner's LTV below 100% will be forgiven at the end of thirty (30) years, provided the borrower has satisfied all terms of the loan. The terms of these loans will be zero-interest, zero-payment for the duration of the loan. The loan will be considered satisfied upon expiration of the respective term and AHFPFC will release the lien connected with the note. These loans will be utilized to reduce a portion of the principal on the first mortgage loan, the amount of which may be matched by the primary lender/servicer. All or part of the loan funds will be repaid to AHFPFC in the event that the home increases in equity and a sale or a refinance yields excess equity proceeds (net of transaction expenses) to the borrower sufficient to repay all or a portion of the loan funds.</p> <ul style="list-style-type: none"> • In the case of HARP PRA, principal reduction assistance is structured as a one-time up-front installment evidenced by a promissory note with a five-year term. Assistance is contingent upon eligibility for a HARP or other substantively similar mortgage refinance. • In the case of Forbearance Elimination PRA and Negative Equity PRA, principal reduction assistance may be structured as a one-time up-front, forgivable loan in the amount of the assistance provided to eligible borrowers. Promissory notes evidencing these loans will be for a term of five (5) years in favor of AHFPFC and placed on the property as a junior lien. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the borrower has satisfied all terms of the loan. The terms of these loans will be zero-interest, zero-payment for the duration of the loan. The loan will be considered satisfied upon expiration of a five-year term and AHFPFC will release the lien connected with the note. These loans will be utilized to reduce a portion of the principal on the first mortgage loan, the amount of which may be matched by the primary lender/servicer. All or part of the loan funds will be repaid to AHFPFC in the event that the home increases in equity and a sale or a refinance yields excess equity proceeds (net of transaction expenses) to the borrower sufficient to repay all or a portion of the loan funds. • Any proceeds that are returned to the component will be reutilized to assist additional homeowners in accordance with the Agreement.
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9. Per Household Assistance	<ul style="list-style-type: none"> • \$100,000 is the maximum amount of assistance. • \$60,000 is the estimated median amount of assistance. • The principal reduction contribution must be no greater than \$100,000 (the maximum household assistance). • The principal reduction contribution must be no greater than the amount necessary to bring the outstanding mortgage balance to an amount as close to a 100% LTV ratio as the amount of per-household assistance will permit, except as applied to 5(a). • Borrowers will not always receive the maximum amount of assistance.
10. Duration of Assistance	<p>Assistance will be available to households on a one-time-only basis.</p>
11. Estimated Number of Participating Households	<p>It is anticipated that the Principal Reduction Assistance component will assist a minimum of 1,808 households in avoiding foreclosures.</p>
12. Program Inception/Duration	<ul style="list-style-type: none"> • This component began in September 2010 and it is projected that assistance will be expended by December 31, 2021. • All funds still available on December 31, 2021 will be returned to Treasury in accordance with the Agreement.
13. Program Interactions with Other Programs (e.g. other HFA programs)	<p>Borrowers may participate in other components, as long as the borrower meets the eligibility criteria of each component and combined total assistance received from all of the components does not exceed the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to an amount as close to a 100% LTV ratio as the amount of per-household assistance will permit except as applied to 5(a).</p>
14. Program Interactions with HAMP	<p>ADOH’s program may interact with aspects of the Making Home Affordable Program (“MHA”) as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers who are eligible for HAMP or other MHA options. In some cases, the assistance the ADOH 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 Troubled Asset Relief Program funds are used efficiently and that HHF programs complement MHA programs.</p>
15. Program Leverage with Other	<p>In order to leverage the funds, ADOH will attempt to have the lender/servicer match any principal reduction provided through</p>

Financial Resources	the Principal Reduction Assistance component.
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SERVICE SCHEDULE B-2

**SAVEOURHOMEAZ
Second Mortgage Assistance Component
Summary Guidelines**

1. Program Overview	Under the Second Mortgage Assistance Component, assistance will be provided to eliminate second mortgages on eligible transactions.
2. Program Goals	The goals of the Second Mortgage Assistance Component are to help homeowners avoid foreclosure by eliminating a second mortgage if necessary to modify the terms of the primary loan, achieve affordability 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 150% of Area Median Income (“AMI”).</p> <p>It is projected that component 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 component funds Pima County: 8% of component funds Pinal County: 9% of component funds All other areas: 8% of component funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$12,053,697
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Eligible financial hardships include (a) reduced income due to under employment, medical condition, divorce or death; or (b) “Severe Negative Equity” defined as: (1) a negative equity position in which LTV is 120% or more or (2) a negative equity position in which 10% or more of unpaid principal balance (“UPB”) constitutes negative equity so long as such negative equity amount is at least \$20,000.• Property must be borrower’s primary residence.• Income less than 150% of AMI.• Requests for Mortgage Assistance with hardship and Dodd Frank Certification.• Affordability for Home Affordable Refinance Program (“HARP”) structured assistance is determined by the lender’s

	<p>approval of the HARP or other substantively similar mortgage refinance, otherwise it is 31% of the household's gross monthly income or up to 40% of the borrower's gross monthly income for borrowers who have demonstrated an ability to make the modified mortgage payment for a 3-month period ("Expanded Affordability").</p>
<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Property must be owner-occupied. • Unpaid principal balance ("UPB") of the mortgage(s) must be no greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)). • Property must be a Single-family dwelling (1 to 4 units).
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Current UPB of the mortgage(s) exceeds 150% of the homeowner's purchase price. • Assistance exceeds \$60,000. • Assistance exceeds the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value. • Properties with an outstanding UPB of the mortgage(s) that is greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)).
<p>8. Structure of Assistance</p>	<ul style="list-style-type: none"> • The Second Mortgage Assistance Component will provide up-front, forgivable, loans to eligible borrowers. Promissory notes on the forgivable loans will be for a term of five (5) years in favor of the Eligible Entity and placed on the property as a junior lien. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the consumer has satisfied all terms of the loan. The terms of the loan are zero-interest, zero-payment for the duration of the loan. The assistance loan will be considered satisfied upon expiration of five-year term and the Arizona Department of Housing ("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, if the assistance is less than the outstanding principal balance due. All or part of the loan funds will be repaid to ADOH in the event that the home increases in equity and a sale or a refinance yields excess equity proceeds (net of transaction expenses) to the borrower sufficient to repay all or a portion of the loan funds.

	<ul style="list-style-type: none"> • Second Mortgage Assistance provided as a part of a HARP or other approved refinance will be provided in a one-time installment evidenced by a promissory note with a five-year term. If coupled with Principal Reduction Assistance component on a first mortgage the amount of the promissory note will be for the combined total of all assistance under both components. • Any proceeds that are returned to the program will be reutilized to assist additional homeowners in accordance with the Agreement.
9. Per Household Assistance	<ul style="list-style-type: none"> • \$60,000 is the maximum amount of assistance. • \$50,000 is the estimated median amount of assistance.
10. Duration of Assistance	Second mortgage assistance will be disbursed in full in a one-time payment contingent upon the closing of the transaction.
11. Estimated Number of Participating Households	It is anticipated that the Second Mortgage Assistance Component will assist a minimum of 407 households.
12. Program Inception/Duration	<ul style="list-style-type: none"> • This program component began in September 2010 and it is projected that assistance will be expended by December 31, 2021. • All funds still available on December 31, 2021 will be returned to Treasury in accordance with the Agreement.
13. Program Interactions with Other Programs (e.g. other HFA programs)	ADOH will, on behalf of an approved seller, attempt to extinguish the second mortgage as part of a short sale that is part of the Short Sale Assistance Component. Assistance is capped at \$8,500 when combined with the Short Sale Assistance Component. Borrowers may participate in other components, as long as borrower meets the eligibility criteria of each component and the combined total assistance received from all of the components is the lesser of the individual component caps or the total Program cap of \$100,000.

<p>14. Program Interactions with HAMP</p>	<p>ADOH's program may interact with aspects of the Making Home Affordable Program ("MHA") as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for the Home Affordable Modification Program ("HAMP") or other MHA options. In some cases, the assistance the ADOH 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>
<p>15. Program Leverage with Other Financial Resources</p>	<p>N/A</p>

SERVICE SCHEDULE B-3

**SAVEOURHOMEAZ
Unemployment/Underemployment/Reinstatement Mortgage Assistance Component
Summary Guidelines**

1. Program Overview	<p>The Unemployment/Underemployment/Reinstatement Mortgage Assistance Component (“UMA”) will provide mortgage relief for qualified unemployed and underemployed borrowers.</p> <p>Arizona Department of Housing (“ADOH”) may, on behalf of the eligible borrower, bring the first mortgage and any junior mortgage (as applicable) current by curing all past due payments, accrued interest and legal fees. Additional benefits may consist of a full monthly mortgage payment to the servicer until the applicable program cap is reached or the borrower becomes sufficiently employed and is able to sustain the payment at 31% of gross monthly income.</p> <p>The borrower will be required to pay a portion of their monthly mortgage payment to ADOH in the amount of 31% of the household gross monthly income, excluding unemployment benefits.</p> <p>ADOH will be responsible for ongoing monitoring of borrowers to ensure continued eligibility if receiving monthly assistance.</p>
2. Program Goals	<p>This Component will provide assistance for a set period of time and/or maximum dollar amount. The purpose of the Component 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/underemployed borrower’s monthly mortgage payment until the borrower can or the maximum assistance has been provided.• Maintain the borrower’s contribution towards its monthly mortgage payment at 31% of his or her current gross monthly income for the duration of the assistance, excluding unemployment benefits.
3. Target	<p>The target population includes eligible homeowners whose</p>

Population/Area	hardship is caused by unemployment or underemployment.
4. Program Allocation (Excluding Administrative Expenses)	\$74,251,694
5. Borrower Eligibility Criteria	<p>General Requirements:</p> <ul style="list-style-type: none"> • One or more of the responsible borrowers must be unemployed/underemployed. • Borrowers must participate in quarterly (face-to-face when possible) continued eligibility validation. • Borrower must occupy the subject property as his or her primary residence during the assistance disbursement period. • Income less than 150% of Area Median Income (“AMI”). • Requests for Mortgage Assistance with hardship and Dodd Frank Certification. <p>Additional Unemployment Requirements:</p> <ul style="list-style-type: none"> • If the eligible borrower is unemployed, the borrower must provide proof he or she applied for unemployment benefits and was approved or denied (UB107, UB100, Claim status report) for reasons identified as acceptable within the Component’s guidelines. <p>Additional Underemployment Requirements</p> <ul style="list-style-type: none"> • If the eligible borrower is underemployed, the borrower must provide documentation of a significant reduction of income, as specified in the program guidelines, resulting in a housing payment greater than 31% of his or her gross monthly income. <p>Additional Reinstatement Assistance Requirements:</p> <ul style="list-style-type: none"> • Borrower must demonstrate that the hardship caused by unemployment or underemployment has passed. For example, one of the borrowers was unemployed and now the same borrower is employed, eliminating

	<p>the hardship.</p> <ul style="list-style-type: none"> • There must be a correlation between the qualified hardship and the delinquency in the mortgage payments. • Borrowers must demonstrate that they now have the ability to afford the monthly mortgage payment. Affordability is defined as the payment being at or under 31% of the borrower’s documented gross monthly income. • A monthly mortgage payment that does not exceed 40% of the borrower’s gross monthly income for borrowers who have demonstrated an ability to make the modified mortgage payment for a 3-month period (“Expanded Affordability”). • The reinstatement assistance may be inclusive of junior mortgages (as applicable) and subject to Component eligibility criteria.
<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • Unpaid principal balance (UPB) of the mortgage(s) must be no greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)). • Property must be owner-occupied. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for Component assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Component payments must go toward a first mortgage except when reinstating a junior mortgage. • Property must be a single-family dwelling (1 to 4 units).
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000.
<p>8. Structure of Assistance</p>	<ul style="list-style-type: none"> • ADOH will execute and record a non-recourse, non-interest bearing forgivable note of no more than five (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. All or part of the loan funds will be repaid to ADOH in the event that the home increases in equity and a

	<p>sale or a refinance yields excess equity proceeds (net of transaction expenses) to the borrower sufficient to repay all or a portion of the loan funds.</p> <ul style="list-style-type: none"> • Any proceeds that are returned to the program will be reutilized to assist additional homeowners in accordance with the Agreement.
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"> • Original approved monthly mortgage assistance of \$2,000. Later adjustments to the monthly mortgage assistance may exceed the \$2,000 a month maximum. Assistance is available for a maximum of twenty-four (24) months. • Upfront reinstatement assistance required by servicers in order for the homeowner to participate in UMA will be limited to twelve (12) months of monthly mortgage payment assistance in order for the homeowner to have available at least twelve (12) months of monthly mortgage payment assistance. • Maximum amount of assistance will be limited to a cap of \$60,000.
10. Duration of Assistance	<p>Servicers have no responsibility for monitoring payment duration.</p> <ul style="list-style-type: none"> • Up to twenty-four (24) months' of mortgage payment assistance. • Benefits may be provided for up to two (2) months post re-employment, provided the twenty-four (24) months' maximum of mortgage payment assistance has not been met. • Borrowers whose payments remain unaffordable to them at the end of the twenty-four (24) month UMA term, may be provided an extended term of mortgage assistance for six (6) additional months. During the extended term the homeowner will make no contribution toward the mortgage payment and will be required to meet with their housing counselor to adopt a transition plan.
11. Estimated Number of Participating	<p>It is anticipated that the Unemployment/Underemployment Mortgage Assistance Component will assist a minimum of 4,211 households.</p>

Households	
12. Program Inception/Duration	<ul style="list-style-type: none"> • This component began in March 2011 and assistance is expected to be expended by December 31, 2021. • All funds still available on December 31, 2021 will be returned to Treasury in accordance with the Agreement.
13. Program Interactions with Other Programs (e.g. other HFA Programs)	Borrowers may participate in other components, as long as the borrower meets the eligibility criteria of such component and combined total assistance received from all of the components is the lesser of the individual component caps or total program cap of \$100,000.
14. Program Interactions with HAMP	ADOH’s program may interact with aspects of the Making Home Affordable Program (“MHA”) as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for Home Affordable Modification Program (“HAMP”) or other MHA options. In some cases, the assistance the ADOH 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	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 ADOH mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.

SERVICE SCHEDULE B-4

SAVEOURHOMEAZ Short Sale Assistance Component Summary Guidelines

1. Program Overview	<p>Short Sale Assistance Component will provide the eligible seller the funds needed to relocate or secure a lease option purchase agreement on the property when a short sale has been approved by the homeowner’s servicer. It will provide much needed enhancements to the short sale process for qualified sellers.</p> <p>The Arizona Department of Housing (“ADOH”) is responsible for screening sellers to determine program eligibility and providing confirmation to the seller and servicer/lender that it intends to provide assistance to the seller.</p> <p>Servicers may refer potentially eligible sellers to ADOH.</p> <p>Depending on the agreement with the servicer and or purchaser of the subject property, one of two methods will be used to provide short sale assistance:</p> <ul style="list-style-type: none">• Assistance may be provided in order to facilitate the short sale.• Assistance may be provided in order to facilitate a short sale lease option transaction. <p>The structure of these two types of assistance is further discussed in Section 8.</p> <p>ADOH may provide funds directly to the homeowner as a part of the short sale closing/funding process but not prior to closing.</p>
2. Program Goals	<p>Short Sale Assistance Component was designed to help stabilize communities by providing assistance to consumers in unrecoverable situations to transition from homeownership to renting as well as enhance the marketability of short sale properties and accelerate the stabilization of property value.</p>
3. Target	<p>The targeted populations are households whose income does</p>

Population/Area	not exceed 150% of Area Median Income (“AMI”).
4. Program Allocation (Excluding Administrative Expenses)	\$1,261,490
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Lender-approved short sale. • Purchase and Sale Agreement. • Income less than 150% of AMI. • Requests for Mortgage Assistance with hardship and Dodd Frank Certification.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must have been owner-occupied within the last 12 months. • Unpaid principal balance (“UPB”) of the mortgage(s) must be no greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)). • Property must be a Single-family dwelling (1 to 4 units)
7. Program Exclusions	<ul style="list-style-type: none"> • Property located outside of Arizona. • Properties with an outstanding UPB of the mortgage(s) that is greater than \$500,000. • Sellers who apply for assistance after the short sale has been completed. • Sellers who are executing a “strategic default” (determination made through program underwriting guidelines). • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000 (including interest-bearing unpaid principal balance(s) and any existing non-interest-bearing forbearance balance(s)).
8. Structure of Assistance	<p>Assistance under this component will be structured as a one-time installment to the appropriate party.</p> <p>When provided to facilitate a short sale, assistance may be structured in the following manner:</p> <ul style="list-style-type: none"> • Transition assistance may be available to the seller. • Seller-paid closing cost assistance on behalf of the buyer when applicable. • Assistance to extinguish junior liens when applicable.

	<p>When provided to facilitate a short sale with a lease purchase option, assistance may be structured in the following manner:</p> <ul style="list-style-type: none"> • Lease Purchase Option (“LPO”) for the subject property between the seller and the buyer. • Transaction fee paid to the buyer on behalf of the seller. • Property maintenance cash reserve payment paid to the buyer on behalf of the seller. • Financial assistance when the sales price exceeds 80% of the Broker Price Opinion (“BPO”) used to determine the sales price. These funds will be paid directly to the current lender to satisfy the short sale pay-off balance as part of the short sale closing process.
9. Per Household Assistance	<ul style="list-style-type: none"> • Maximum assistance for short sale assistance shall be \$25,000, in accordance with program guidelines. • Maximum assistance for Short Sale Assistance Component with a lease purchase option shall be \$66,000, in accordance with program guidelines, including when combined with other programs.
10. Duration of Assistance	Program is a one-time payment per seller household, made upon close of escrow on the short sale.
11. Estimated Number of Participating Households	Based on ADOH eligibility criteria and available funding, it is anticipated that the Short Sale Assistance Component will assist a minimum of 163 households.
12. Program Inception/Duration	This component began in June 2011 and it is projected that assistance will be expended by December 31, 2021. All funds still available on December 31, 2021 will be returned to Treasury in accordance with the Agreement.
13. Program Interactions with Other Programs (e.g. other HFA Programs)	Borrowers may participate in other components, as long as the borrower meets the eligibility criteria of each component and combined total assistance received from all of the components is the lesser of the individual component caps or the total Program cap of \$100,000. Sellers participating in Home Affordable Foreclosure Alternative (“HAFA”) Assistance may receive up to \$1,500 for relocation assistance.

<p>14. Program Interactions with HAMP</p>	<p>ADOH’s program may interact with aspects of the Making Home Affordable Program (“MHA”) as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for Home Affordable Modification Program (“HAMP”) or other MHA options. In some cases, the assistance the ADOH 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>
<p>15. Program Leverage with Other Financial Resources</p>	<p>Short sale assistance may be combined with lease purchase options funded by a third party.</p>

SERVICE SCHEDULE B-5

**SAVEOURHOMEAZ (SOHAZ)
Down Payment Assistance (DPA)
Summary Guidelines**

1. Program Overview	The Down Payment Assistance (DPA) Program will provide an incentive to qualified homebuyers to purchase a primary residence in targeted areas in Arizona. Providing incentives to qualified homebuyers in housing markets that have been hardest hit by serious delinquency, negative equity, distressed sales, and foreclosures will strengthen demand in those areas, stabilize housing prices and prevent future foreclosures. This Program will be offered within 17 municipalities in Arizona.
2. Program Goals	The goal of the DPA Program is to prevent future foreclosures by assisting with the stabilization of housing prices in targeted areas. The Arizona Home Foreclosure Prevention Funding Corporation (AHFPFC) will identify meaningful indicators that will enable them to track and quantify the DPA Program’s impact in the targeted areas.
3. Target Population/Areas	<p>Targeted areas (“Targeted Area”) are as follows: This component will be offered within 17 municipalities in Arizona, to include: Arizona City, Avondale, Buckeye, Casa Grande, Coolidge, Douglas, El Mirage, Fort Mohave, Goodyear, Huachuca City, Laveen, Maricopa, Red Rock, Sierra Vista, Snowflake, Tucson, and Yuma.</p> <p>For these specific areas, AHFPFC evaluated five (5) housing market distress indicators across the entirety of Arizona. Each Targeted Area exceeded the statewide rate in at least four (4) out of the five (5) distressed housing market indicators which include: change in sale price from one year ago; REO sales rate; Short sales rate; Negative Equity; and the Foreclosure Rate.</p>
4. Program Allocation (Excluding Administrative Expenses)	\$71,367,728

<p>5. Borrower Eligibility Criteria</p>	<p>Eligible borrowers must qualify for and meet all requirements of the Arizona Housing Finance Authority’s (AzHFA) or Arizona Industrial Development Authority’s Pathway to Purchase Home Loan Program. Allowable first mortgage loans will be ”Qualified Mortgages” (QM) that are 30-year, fixed-rate loans from the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture – Rural Development (RD), Fannie Mae HFA Preferred, and Freddie Mac HFA Advantage. Eligible borrowers must also meet the following criteria:</p> <ul style="list-style-type: none"> • Borrower(s) must be a first-time homebuyer. For purposes of the DPA Program, a first-time homebuyer is defined as someone who has not had an ownership interest in their primary residence in the past three years or qualifies under either a Veteran’s Exception (as defined in the DPA Program Guide) or is purchasing a home in a Federally Designated Targeted Area (as defined in the DPA Program Guide). • Borrower(s) income not to exceed 150% of the State Median Income as determined by HUD. • Purchase Price limit is four (4) times the annual income limit. • Each borrower must complete a homebuyer education course before closing. The homebuyer education requirement may be met by taking a pre purchase course through an internet-based program developed by mortgage insurance companies, such MGIC or Genworth Financial or through another HUD-approved homebuyer education provider. • The homebuyer will work through one of the approved and participating mortgage lenders or a mortgage lender participating in one of the IDA’s comparable homebuyer programs. The lender will be the borrower’s point of contact throughout the process, working with the homebuyer to obtain a qualifying mortgage and registration for the DPA loan. • Each borrower will be required to provide a satisfactory Dodd-Frank certificate.
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<p>6. Property/Loan Eligibility Criteria</p>	<ul style="list-style-type: none"> • The property must be a single-family home, a condominium unit, a townhome, or a two-four family dwelling unit of which one unit is to be occupied by the mortgagor as his or her principal residence. • Must be the borrower’s primary residence. • Property must be located in a Targeted Area. • Meet all applicable DPA, Ginnie Mae (FHA, VA, USDA-RD) or GSE (Fannie Mae & Freddie Mac) underwriting guidelines. • Must be a resale of an existing property. • Property must be within the purchase price limit of no more than four (4) times the annual income limit established for the program.
<p>7. Program Exclusions</p>	<ul style="list-style-type: none"> • Borrowers, properties and loans not assisted through the Pathway to Purchase Home Loan Program or comparable IDA homebuyer program. • Dodd-Frank exclusion for having been convicted of a mortgage-related felony in the past ten years.
<p>8. Structure of Assistance</p>	<p>Down payment assistance, including reasonable and customary closing costs, will be made available to homeowners as follows: Assistance will be structured as a one-time up-front, forgivable loan in the amount of the assistance provided to eligible borrowers. A promissory note evidencing the loan will be for a term of five (5) years in favor of AHFPFC and placed on the property as a junior lien. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the borrower has satisfied all terms of the loan. The terms of these loans will be zero-interest, zero-payment for the duration of the loan. The loan will be considered satisfied upon expiration of a five-year term and AHFPFC will release the lien connected with the note. All or part of the loan funds will be repaid to AHFPFC in the event that a sale or a refinance yields excess equity proceeds (net of transaction expenses) to the borrower sufficient to repay all or a portion of the loan funds.</p> <p>Any proceeds that are returned to the component will be reutilized to assist additional homeowners in accordance with the Agreement.</p>
<p>9. Per Household Assistance</p>	<p>The lesser of 10 percent of the purchase price amount or \$20,000.</p>

PROMISSORY NOTE

ARIZONA HOME FORECLOSURE PREVENTION FUNDING CORPORATION

SAVE OUR HOME AZ PROGRAM

\$ 0.00

Principal Amount

Maturity Date

Date

Subject Real Property Street Address

Arizona

City

State

Zip Code

1. The subject real property ("the Property") identified above is more fully described in Exhibit A to this Promissory Note.
2. In return for assistance, according to the disbursement, _____ / _____ the undersigned Borrower(s) hereby promises to pay to the order of the Arizona Home Foreclosure Prevention Funding Corporation ("Lender"), the Principal Amount stated above, which shall be payable upon the earliest occurrence of any of the following Events of Default:
 - a) Date of sale of the Property. If the Property is conveyed, sold, transferred, subjected to a mortgage or deed of trust, whether voluntary, involuntary or by operation of law, Lender shall have the right in its sole and absolute discretion to declare the entire indebtedness to be immediately due and payable;
 - b) Date upon which Borrower no longer occupies the Property as his and/or her principal residence; or
 - c) Breach of any provision of this Promissory Note ;
3. The Principal Amount shall accrue interest at the rate of 0% interest per year.
4. In the event that no Event of Default described in paragraph 2 occurs before the Maturity Date, Borrower's duty to repay the unpaid Principal Amount shall be satisfied in its entirety.
5. Payment of this Promissory Note may be enforced solely out of the proceeds of sale of the Property, whether the sale constitutes a voluntary sale or a Default. However, the Lender may, at its option, seek and obtain a personal judgment for all amounts payable under this Promissory Note against any Borrower responsible for any fraud or misrepresentation that constitutes a default under this Promissory Note. This right shall be in addition to any other remedies available to the Lender for such fraud or misrepresentation.
6. So long as Borrower is not in default of this Promissory Note, no interest shall be charged on the unpaid principal balance. In the event Borrower is in default of this Promissory Note, then at the election of, and without prior notice by, Lender, interest shall be computed on the principal balance of this Promissory Note at the default interest rate of 10% *per annum*, not to exceed the maximum lawful rate, from the date of default until this Promissory Note is paid in full.

PROMISSORY NOTE

ARIZONA HOME FORECLOSURE PREVENTION FUNDING CORPORATION

SAVE OUR HOME AZ PROGRAM

7. If the Borrower(s) is not and has not been in default of this Promissory Note, \$ 0.00 of the principal shall be forgiven on _____, being 60 months after the date of the Promissory Note.
8. This Promissory Note shall be construed in accordance with the laws of the State of Arizona.
9. All funds due hereunder shall be paid to Promissory Note holder in U.S. Dollars.
10. This Promissory Note may not be partially prepaid.
11. Borrower(s) waive(s) the rights of presentment and notice of dishonor.
12. This Promissory Note shall be governed by the law of the State of Arizona and the local jurisdiction in which the Property is located.
13. Time is of the essence in this Promissory Note, and every term, condition, covenant and provision hereof.

SIGNATURES ON FOLLOWING PAGE

S A M P L E

PROMISSORY NOTE

ARIZONA HOME FORECLOSURE PREVENTION FUNDING CORPORATION

SAVE OUR HOME AZ PROGRAM

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Promissory Note.

BY: Borrower

(Borrower's Signature) (Date)

(Print or Type Name)

BY: Co-Borrower

(Co-Borrower's Signature) (Date)

(Print or Type Name)

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED

State of Arizona)
) s.s.
County of _____)

Acknowledgement: On this _____ day of _____, _____, before me a

Notary Public, personally appeared _____
known to me as satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he/she executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.

My Commission Expires: _____ Notary Public

Arizona Home Foreclosure Prevention Funding Corporation

Michael Traylor, Chairman

May 31, 2016

«Borrower_First_Name» «Borrower_Last_Name»
«CoBorrower_Name»
«Subject_Property_Address»
«Subject_Property_City», «Subject_Property_State» «Subject_Property_Zip_Code»

RE: Principal Reduction Assistance in Conjunction with Eligible Refinance

ADOH Certificate No. «ADOH_Certificate_»

*Arizona Home Foreclosure Prevention Funding Corporation (EIN 27-258751)
Certificate of Eligibility for the Save Our Home AZ Program*

The Arizona Home Department of Housing (ADOH) hereby informs you that it has made a commitment and funding reservation for the Corporation's Save Our Home AZ Program to provide Principal Reduction Assistance on behalf of the homeowner(s).

The ADOH has reserved Save Our Home AZ Funds in an amount not to exceed \$«Total_Assistance».00.

This commitment is subject to the homeowners being approved for a HARP 2.0 or similar eligible refinance by a lender as well as the following conditions.

- A maximum of \$«M_1st_Mtg_Assistance».00 of Principal Reduction Assistance will be paid as cash at settlement on behalf of the homeowner, through the closing agent, to reduce the 1st mortgage.
- You may refer to our website at www.azhousing.gov for a complete list of SOHAZ Participating Lenders. (Enclosed)
- \$«M_2nd_Mtg_Assistance».00 of Principal Reduction Assistance will be paid as cash at settlement on behalf of the homeowner, through the closing agent, to eliminate the 2nd mortgage. **2nd Mtg Assistance as Applicable**
- After being pre-approved for HARP 2.0 or similar eligible refinance by a lender, the homeowner must complete the Save Our Home AZ online application at www.azhousing.gov and receive a final approval for assistance.
- The homeowner must submit the lender's HARP 2.0 or similar eligible refinance pre-approval documentation along with their Real Estate Settlement Procedures Act (RESPA) documents as a part of their Save Our Home AZ application.

- The refinance transaction closing / settlement MUST be at Fidelity National Title*, at one of the following locations:
 - 4423 N. 44th Street, Phx, AZ 85018
 - 19420 N. 59th Ave #D410, Glendale, AZ 85308
 - 3570 S. Val Vista Drive #105, Gilbert, AZ 85297

c/o Nancy Enrico, Escrow Officer (623) 277-4945

**Your lender must present a copy of this letter to Fidelity National Title when opening escrow*

This Commitment and Reservation of Funds expires 120 days from the date of the document.

If you have any questions regarding this funding commitment, or require additional information, please contact us.

Sincerely,

«Transaction_Manager»
Arizona Department of Housing
savemyhome@azhousing.gov

SAMPLE