



Homeownership Programs with Down Payment Assistance Lender Application Package

Thank You for Your Interest

Texas State Affordable Housing Corporation (“TSAHC”) is pleased to extend an invitation to qualified and approved lenders (each a “Lender”) to originate qualified single family mortgage loans (“Mortgage Loans”) with down payment assistance under its Home Sweet Texas and Homes for Texas Heroes Homeownership Programs (collectively, the “Programs”). The Programs will be subject to the terms set forth in the Mortgage Origination Agreement and the Program Guidelines attached to this Lender Application Package.

Each Lender will agree to sell and assign all Mortgage Loans it originates under the Programs to the Servicer. The Servicer will purchase closed Mortgage Loans from the Lender and will service the Mortgage Loans. Additionally, each Lender will be responsible for working with TSAHC’s Single Family Compliance staff to ensure that all Mortgage Loans are Program compliant. An online reservation system will be made available to Lenders.

Lender Eligibility

The Lender approval process is a shared process between TSAHC and U.S. Bank National Association (the “Servicer”). Upon approval as a participating lender by the Servicer, the Lender will be required to complete and submit to TSAHC the Lender Application Package detailed below. Please contact U.S. Bank National Association at (800) 562-5165 or send an email to mrhp.helpdesk@usbank.com to learn more about becoming an approved correspondent lender.

TSAHC shall determine continued eligibility for each Lender to participate in the Programs. TSAHC will suspend or remove any Lender from the Programs if, in TSAHC’s opinion, such Lender is not satisfactorily originating Mortgage Loans per the Program Guidelines or for other factors related to Lender performance.

Procedure

Upon obtaining approval from the Servicer, each Lender is required to submit to TSAHC the following items:

- 1) A \$500 Annual Participation Fee. Checks should be made payable to the *Texas State Affordable Housing Corporation*;
- 2) A completed Lender Reservation Access Form (attached), and

- 3) Three (3) signed originals of the Mortgage Origination Agreement (signature pages only).

Please use the fillable forms provided electronically under the “For Lenders” section of the TSAHC website at www.tsahc.org to complete the Lender Application Package. Then mail the required fee, the Lender Reservation Access Form, and three signed originals of the executed Mortgage Origination Agreement directly to:

Texas State Affordable Housing Corporation
Attn: Paige Omohundro
2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78702

Upon Approval

Once all documentation has been submitted and reviewed, TSAHC will notify the Lender if approved to participate in the Programs. At that time that training and loan reservation information will be provided.

We thank you for your interest in becoming a Lender in the Programs and look forward to working with you. Should you have any questions or need additional information regarding the approval process, please contact Paige Omohundro at (512) 477-3561 or pomohundro@tsahc.org.

For additional information on TSAHC’s programs and services, please visit www.tsahc.org.



Lender Reservation Access Form

Each Lender is required to designate a “corporate office” (and a "main branch" if different from the corporate office) and a contact person at that corporate office or branch who will be responsible for granting and setting up access to TSAHC’s online loan reservation and compliance system for their loan officers, as well as all correspondence. Representatives from each branch are encouraged to complete TSAHC’s Reservation and Compliance training before submitting Mortgage Loan reservations. If additional space is needed to list other branches, please use extra copies of this form.

Corporate Office:	
Company Name	
Address:	
City, State & Zip:	
Phone:	
Fax:	
Contact Name:	
Contact Email:	

Main Branch: <i>(If different from Corporate Office.)</i>	
Company Name	
Address:	
City, State & Zip:	
Phone:	
Fax:	
Contact Name:	
Contact Email:	

Branch 1: <i>(If there are more than two branches, please use additional copies of this form.)</i>	
Address:	
City, State & Zip:	
Phone:	
Contact Name:	
Contact Email:	

Branch 2:	
Address:	
City, State & Zip:	
Phone:	
Contact Name:	
Contact Email:	



HOMEOWNERSHIP PROGRAMS WITH DOWN PAYMENT ASSISTANCE

MORTGAGE ORIGATION AGREEMENT

This Mortgage Origination Agreement (this “Agreement”) is entered into, as of the date set forth below, by and between the Texas State Affordable Housing Corporation (“TSAHC” or the “Corporation”) and the lending institution executing this Agreement (a “Lender”) in connection with the origination of qualified first-lien mortgage loans and the funding of down payment and closing cost assistance under TSAHC’s Home Sweet Texas and Homes for Texas Heroes Home Loan Programs (each a “Program” and collectively the “Programs”). Capitalized terms used herein and not otherwise defined have the meanings set forth in the Program Guidelines.

WHEREAS, TSAHC has been duly created and organized pursuant to and in accordance with the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq. Vernon’s Annotated Texas Civil Statutes, as amended and under the authority of Subchapter Y of Chapter 2306, Texas Government Code, as amended (the “Act”), TSAHC is authorized to establish a program to provide eligible mortgagors with low-interest home mortgage loans;

WHEREAS, TSAHC expects to make funds available to finance certain qualified mortgage loans within the State of Texas through the acquisition and sale of fully modified mortgage backed securities issued on behalf of and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA” or “Ginnie Mae”); and

WHEREAS, the Lender wishes to participate in the Programs and has agreed to make Mortgage Loans to Eligible Borrowers in accordance with this Agreement and the Program Guidelines for TSAHC Homeownership Programs (the “Program Guidelines”); and

NOW, THEREFORE, in consideration of the promises set forth herein, the parties mutually agree as follows:

Section 1. The Programs and the Program Guidelines. The Lender hereby acknowledges its receipt of the Program Guidelines, and the Lender hereby covenants and agrees to originate Mortgage Loans in accordance with this Agreement, the Program Guidelines, the Participating Lender Agreement (between the Lender and the Servicer) and any other applicable Program Document. Failure by the Lender to perform its obligations under this Agreement may result in a suspension of its participation in a Program or Programs even if the Lender remains in good standing with the Servicer.

Section 2. Servicer. The servicer for the Programs (the “Servicer”) shall be U.S. Bank National Association. All Lenders must be approved by and remain in good standing with the Servicer, or any other successor or additional Servicer designated by TSAHC. The Servicer will purchase the Mortgage Loans and will service all Mortgage Loans. Each Lender will originate Mortgage Loans in accordance

with the this Agreement and the Participating Lender Agreement and all other Program Documents. The Lender will execute a Participating Lender Agreement directly with the Servicer to confirm origination, delivery and purchase terms and conditions specifically for Mortgage Loans under the Programs. Mortgage Loan purchases shall be made following receipt and review of Mortgage Loan closing documents, including evidence of compliance with the Program Guidelines, applicable Mortgage Loan underwriting requirements, FHA, VA and USDA-RHS requirements, and federal and state regulations.

Section 3. Representations, Warranties and Covenants of TSAHC. TSAHC represents and warrants that:

(a) TSAHC is a non-profit corporation, duly organized and validly existing under the Act and the laws of the State. TSAHC has full power and authority to consummate all transactions, execute all documents, and issue all instruments contemplated by this Agreement.

(b) TSAHC has found and determined that the origination of Mortgage Loans by the Lender to finance the purchase of Residences by Eligible Borrowers, the purchase of Mortgage Loans by the Servicer and the pooling and sale of the GNMA Certificates under the terms of this Agreement, the other Program Documents and the servicing agreement between TSAHC and the Servicer, will further and fulfill the public purposes of the Act.

(c) The execution and delivery of this Agreement by TSAHC and the performance of and compliance with the terms thereof by TSAHC will not, to its knowledge, violate any applicable laws in any respect that could have any material adverse effect whatsoever upon the validity, performance, or enforceability of any of the terms of this Agreement.

(d) This Agreement constitutes a valid and binding obligation of TSAHC, enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and general principles of equity and by principles of sovereign immunity.

(e) In exercising the powers granted to it under the Act, TSAHC shall not actively compete with private lenders and shall not originate or make a Mortgage Loan that would be made under the same circumstances by a private lender on substantially the same or better terms within the submarket in which the Mortgage Loan is proposed to be made.

Section 4. Representations, Warranties, and Covenants of the Lender. The Lender represents and warrants to, and covenants with, TSAHC that:

(a) The Lender will duly execute this Agreement, the Participating Lender Agreement and any other applicable Program Document prior to participation in the Programs.

(b) The Lender is duly organized, validly existing, and in good standing under the laws governing its creation and existence, is duly authorized and qualified to do in the State any and all business contemplated by this Agreement and possesses all requisite authority, power, licenses, permits and franchises to conduct its business and to execute, deliver and comply with its obligations under the terms of this Agreement, the execution, delivery, and performance of which have been duly authorized by all necessary action.

(c) The Lender is a bank, trust company, savings bank, national banking association, savings and loan association, building and loan association, mortgage banker, mortgage company, credit union, life insurance company, or other financial institution that actively provides service or otherwise aids in the financing of mortgages on single family residential housing located within the State, or is a holding company of any of the foregoing.

(d) The Lender shall comply, as to each FHA Mortgage Loan, with the National Housing Act, as amended and supplemented, all rules and regulations issued thereunder, and all administrative publications published pursuant thereto.

(e) The Lender shall comply, as to each VA Mortgage Loan, with the Servicemen's Readjustment Act of 1944, as amended and supplemented, all rules and regulations issued thereunder relating to VA-guaranteed home mortgage loans, and all administrative publications.

(f) The Lender shall comply, as to each USDA-RHS Mortgage Loan, with the Cranston-Gonzales National Affordable Housing Act of 1990, as amended, all rules and regulations issued thereunder relating to USDA-RHS-guaranteed home mortgage loans, and all administrative publications published pursuant thereto.

(g) The Lender shall comply with the non-discrimination provisions of the Civil Rights Act of 1965 (78 Stat. 252), the regulations issued pursuant to such Act, and Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965, in connection with the origination of Mortgage Loans under the Programs.

(h) The Lender shall not engage in any predatory or deceptive lending practices in connection with a Mortgage Loan application, including but not limited to, the extension of credit without regard for a Mortgagor's ability to repay the related Mortgage Loan, and/or the extension of credit which has no apparent benefit to the Mortgagor. Each Mortgage Loan application shall be in compliance with anti-predatory lending eligibility requirements as required by the Program Documents and any applicable federal, state and local laws, rules and regulations.

(i) No information, certificate, statement, report or affidavit submitted by the Lender to TSAHC pursuant to this Agreement or submitted to the Servicer under the Participating Lender Agreement will, to the knowledge of the Lender, contain any untrue statement of a material fact or omit to state a material fact necessary to make the information, certificate, statement, report or affidavit not misleading,

(j) Each Mortgage Loan will be of acceptable quality and is eligible for sale to FHA, VA, USDA-RHS or GNMA whose Mortgage Loan eligibility specifications are outlined in the Program Guidelines or the applicable agency or investor guidelines and whose decision regarding acceptable quality and eligibility is determinative.

(k) The Lender shall only originate Mortgage Loans that fully comply with the Program Documents.

(l) The Lender shall fulfill all repurchase requirements and make-whole requirements set forth in the Participating Lender Agreement, this Agreement and any other Program Document.

(m) Neither the execution and delivery of this Agreement or any other Program Document by the Lender nor the performance and compliance with the terms of other Program Document by the Lender will (i) violate the instruments creating the Lender or governing its operations, (ii) violate any laws that could have any material adverse effect whatsoever upon the validity, performance, or enforceability of any of the terms of this Agreement applicable to the Lender, or (iii) constitute a material default (or an event that, with notice or lapse of time or both, would constitute a material default) under, or result in the breach of, any material contract, agreement, or other instrument to which the Lender is a party or that may be applicable to the Lender or any of its assets.

(n) The execution and delivery of this Agreement and any other Program Document by the Lender in the manner contemplated herein and the performance and compliance with the terms hereof by it do not require the consent or approval of any governmental authority or, if such consent or approval is required, it has been obtained.

(o) This Agreement and each other Program Document constitutes a valid, legal, and binding obligation of the Lender, enforceable in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights generally and general principles of equity.

(p) The Lender agrees that, so long as it shall continue to serve in the capacity of Lender, it shall remain in good standing under the laws governing its creation and existence and qualified under the laws of the State to do business in the State, it shall not dissolve or otherwise dispose of all or substantially all of its assets, and it shall not voluntarily consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it; *provided, however*, that the Lender may, without violating the covenant contained in this subsection, consolidate with or merge into another entity, or permit one or more entities to consolidate or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting, or transferee entity, as the case may be, shall have a net worth equal to or greater than the net worth of the Lender immediately preceding any such merger, consolidation, or sale of assets, shall be qualified under the laws of the State to do business in the State, shall be qualified under all laws and have all necessary approvals required of the Lender to perform the Lender's duties under this Agreement, and shall demonstrate, to the reasonable satisfaction of TSAHC, its ability to perform the duties of Lender as specified in this Agreement, and shall assume in writing all of the obligations of the Lender under this Agreement. In such event TSAHC shall release the Lender in writing, concurrently with and contingent upon such assumption, from all obligations so assumed.

(q) No information, certificate, written statement, or report required hereunder or any other Program Document, delivered to TSAHC or the Servicer shall contain any untrue statement of a material fact or omit to state a material fact necessary to make the information, certificate, statement, or report not misleading.

(r) The compliance review and/or approval of a Mortgage Loan by TSAHC shall not relieve the Lender of any responsibility or liability for the performance or non-performance of any obligation under this Agreement, the Participating Lender Agreement or any other Program Document.

(s) From time to time the Lender shall report, as more fully set forth in this Agreement, information relating to the Mortgage Loans to TSAHC and the Servicer, and shall do every act and thing

that may be necessary or required to perform its duties under this Agreement and all other Program Documents.

(t) The Lender shall indemnify and hold harmless TSAHC and its officers, governing board, and employees against all liability incurred by TSAHC for any and all claims, causes of action, costs, and expenses (including attorneys' fees), judgments, fines, and penalties that may be related to or arise out of any violation of law or breach of this Agreement resulting from an act or omission of the Lender hereunder.

Section 5. Representations, Warranties, and Covenants of Lender Relating to Compliance with Program Requirements. (a) The Lender understands that the applicable Program requirements must be met with respect to each Mortgage Loan, and the Lender agrees to take all actions reasonably necessary to ensure compliance with such requirements, including the following:

(i) that each Residence financed with a Mortgage Loan under a Program shall be located within the State of Texas and shall be made to an Eligible Borrower;

(ii) that each Residence financed with a Mortgage Loan under a Program shall be a Residence that, at the time of execution of the Mortgage, can reasonably be expected to become the Principal Residence of the Mortgagor within a reasonable period of time (not to exceed 60 days after the Closing Date of the Mortgage Loan);

(iii) that each Residence financed with a Mortgage Loan under a Program shall have a Purchase Price not in excess of the applicable Maximum Purchase Price;

(iv) that all Mortgage Loans must be provided to Mortgagors whose Family Income does not exceed the applicable Maximum Family Income;

(v) that, in the event of an assumption of any Mortgage Loan made under the Program, the requirements of subparagraphs (i) through (iii), inclusive, and subparagraphs (iv) and (vi) shall be met with respect to such assumption at the time of such assumption; and

(vi) that no Mortgage Loans shall be made with respect to a two (2) to four (4) family Residence unless one unit of the Residence is the Principal Residence of the Mortgagor.

(b) The Lender hereby covenants and agrees to establish and follow reasonable procedures as set forth in the Program Documents to ensure compliance with the foregoing requirements.

(c) The Lender agrees that to the extent (i) there are changes to State law which requires changes to any Program requirements, or (ii) Mortgage Loans are financed in whole or part from the proceeds of qualified mortgage bonds under Section 143 of the Internal Revenue Code of 1986, as amended, the Lender will enter into amendments to this Agreement and any other that incorporates such amendments into this Agreement.

Section 6. Program Participation.

(a) *Participation Generally.* The Lender will submit all items required by TSAHC and the Servicer to participate in the Programs, and will use its best efforts to originate Mortgage Loans, and sell such

Mortgage Loans to the Servicer, in accordance with the requirements of the applicable Program(s) and the Program Documents.

(b) *Funding Availability.* There will be no general limitation on funding availability for the Programs. All available funding for the Programs will be made available to the Lender on a first-come, first-served basis. TSAHC and/or the Servicer may add new Lenders to the Programs.

(c) *Limitation on Permitted Types of Mortgage Loans.* Initially, only Mortgage Loans that are FHA Mortgage Loans, VA Mortgage Loans or USDA-RHS Mortgage Loans may be originated under this Agreement. However, the Lender agrees at TSAHC's written request to consent to any amendments to the Program Documents necessary to include in the Programs Conventional Mortgage Loans and/or mortgage-backed securities issued by Fannie Mae and/or Freddie Mac.

(d) *Timelines for Delivery and Purchase of Mortgage Loans and Compliance Review.* (i) The Lender must have a fully executed sales contract for a Residence before a Mortgage Loan reservation may be submitted to TSAHC.

(ii) Each Mortgage Loan must be certified by an underwriter ("underwriter certified") within the period specified in the Program Guidelines (initially fifteen (15) days of Mortgage Loan reservation).

(iii) Each Mortgage Loan must be closed, funded and delivered to the Servicer within the period specified in the Program Guidelines (initially, Mortgage Loans must be delivered to the Servicer within forth-five (45) calendar days of loan reservation).

(iv) Each Mortgage Loan must be reviewed and approved for compliance with applicable Program requirements by TSAHC before the Mortgage Loan will be eligible for purchase by the Servicer.

(v) The Lender must submit a Pre-Closing Compliance Package and a Post-Closing Compliance Package to TSAHC for review of the eligibility criteria established for the Program(s). The Lender must submit the Pre-closing Compliance Package at least ten (10) calendar days prior to Closing (or such other period specified in the Program Guidelines). Upon approval of the Pre-Closing Compliance Package, the Lender will have the ability to generate and print a preliminary approval (through a Compliance Commitment Letter) through the Lender Portal. To complete the compliance approval process, Lenders must submit the Post-Closing Compliance Package to TSAHC at least ten (10) calendar days prior to the Commitment Expiration Date. Upon approval of the Post-Closing Compliance Package, the status code of the applicable Mortgage Loan will reflect "Approved" in the Lender Portal and the Mortgage Loan will be eligible for purchase by the Servicer provided all Servicer conditions have been met.

(vi) Mortgage Loans must be purchased by the Servicer within the period specified in the Program Guidelines (which shall initially be seventy (70) calendar days from Mortgage Loan reservation; provided that Lenders may elect a one-time 30-day extension for an extension fee of \$375 (such time period and such fee amount being subject to change at the discretion of TSAHC)). The extension fee is due regardless of whether or not the Mortgage Loan is actually purchased by the end of such extension period. The extension fee will be deducted from the Mortgage Loan Purchase Price (or if the Mortgage Loan is not purchased, the Lender will be

billed for the extension fee by TSAHC). If the (extended) Mortgage Loan is not purchased within 100 calendar days from loan reservation, the Mortgage Loan will become ineligible for purchase.

(e) *Down Payment Assistance.* (i) TSAHC may, in its sole discretion, make funds available to provide Down Payment Assistance for each Mortgage Loan made under the Program. Such Down Payment Assistance will be in the amount specified in the Program Guidelines and will be a percentage of the initial principal amount of a Mortgage Loan. Such Down Payment Assistance shall be paid to the Mortgagor at Closing except as otherwise specified by TSAHC. Down Payment Assistance may be used only to pay all or a portion of the down payment and closing costs (as defined in Section 6(e)(ii) associated with each Mortgage Loan. TSAHC will remit funds for down payment and closing cost assistance directly to the applicable title company or escrow officer on the loan closing date according to the procedures outlined in the Program Guidelines.

(ii) Closing costs mean prepaid taxes and insurance premiums, origination and discount points, guaranty fees, credit report fees, survey fees, appraisal fees, inspection fees, title insurance premium, abstract and attorney's fees, escrow and courier fees, recording fees, and similar fees.

(iii) The Down Payment Assistance shall be paid to the Mortgagor (unless otherwise specified by TSAHC) and shall be applied only for the following purposes, and in the following order of priority: (i) to pay for any costs collected by the Lender under the preceding paragraph (ii) or under Section 7(c) and (ii) to pay for any portion of the Purchase Price or Appraised Value of the Residence due and payable at Closing which is not funded by the Mortgage Loan (i.e., any portion of the "down payment" for the Residence). Down Payment Assistance shall not be applied by the Mortgagor for any other purpose without the consent of TSAHC or the Servicer.

The Lender shall issue a Commitment to each Eligible Borrower for the related Mortgage Loan and sell such Mortgage Loan to the Servicer as soon as practicable after the related Closing. Each Commitment shall specify a Closing Date that is on or prior to the Commitment Expiration Date.

Applications for Mortgage Loans shall be accepted and processed on a first come, first served basis.

If, at any time subsequent to a reservation for a Mortgage Loan, it shall become apparent to the Lender that a Mortgage Loan will not proceed to Closing for any reason, including, but not limited to the fact that such Mortgage Loan will not meet the requirements of this Agreement or the applicable Program Guidelines, the Lender shall promptly cancel such Mortgage Loan through the Lender Portal. Once a Mortgage Loan is cancelled through the Lender Portal, the Lender will be unable to submit a new reservation for the related Borrower for a period of sixty (60) calendar days after such cancellation. Requests for a re-reservation of a Mortgage Loan within the sixty (60) day lockout period may be granted by TSAHC in its sole discretion if extenuating circumstances exist regarding the cancellation of the Mortgage Loan.

(f) *Homebuyer Education.* To qualify for a Mortgage Loan under a Program, each Eligible Borrower must complete a homebuyer education course before the Closing. The homebuyer education requirement may be met by attending one-on-one counseling as provided through TSAHC's network of housing counseling agencies; online courses; HUD, Fannie Mae or Freddie Mac approved counseling programs; or such other counseling programs as shall be approved by TSAHC.

Section 7. Origination Procedures and Mortgage Loan Terms. All Mortgage Loans originated by a Lender hereunder shall comply in all respects with all terms and provisions of this Agreement, including those set forth in this Section 7 and the Program Guidelines.

(a) *Origination Standards.* The Lender shall originate all Mortgage Loans in accordance with the loan origination, eligibility and credit underwriting standards of FHA, VA, USDA-RHS and/or GNMA, as applicable. The Lender is permitted to accept cosignors and guarantors on behalf of Eligible Borrowers in accordance with this Agreement, *provided* that all the requirements of FHA, VA, USDA-RHS and/or GNMA, as applicable, are met, and the applicable Program Guidelines are met.

(b) *Mortgage Loan Terms.* Each Mortgage Loan:

(i) shall be made to an Eligible Borrower to provide financing for a Principal Residence;

(ii) shall be evidenced by a Mortgage Note and secured by a Mortgage creating a first lien on such Residence, subject to Permitted Encumbrances;

(iii) shall bear interest at the applicable Mortgage Loan interest rate as specified on the TSAHC website and/or the Lender Portal;

(iv) shall provide for level monthly payments of principal and interest representing the amount necessary to fully amortize the Mortgage Loan over a thirty (30) year term;

(v) shall provide for payments to be due and payable on the first day of each month and for an initial principal payment not later than the first day of the second month following the Closing Date, and may include provision for a grace period not exceeding fifteen (15) days and late payment charges in amounts not in excess of the customary charges permitted by the FHA, VA, USDA-RHS and/or GNMA, as applicable;

(vi) shall be in a principal amount not exceeding such amount as conforms to the eligibility and credit underwriting standards specified herein and the applicable limitations of FHA, VA, USDA-RHS and/or GNMA, as applicable;

(vii) shall be the subject of FHA Insurance, VA Guaranty or USDA-RHS Guaranty, as applicable, and shall conform in all respects to the eligibility and credit underwriting standards specified by FHA, VA, USDA-RHS and/or GNMA, as applicable. The Program Affidavit shall be used in connection with the origination of the Mortgage Loans;

(viii) shall restrict the assumption thereof to Eligible Borrowers under terms and conditions meeting the assumption requirements of this Agreement;

(ix) shall be the subject of a Title Policy or a valid commitment for issuance of a Title Policy;

(x) shall be current in payments of principal, interest, taxes and insurance;

(xi) shall relate to a Residence the Purchase Price of which is not in excess of the applicable Maximum Purchase Price;

(xiii) shall comply in all respects with this Agreement, the Program Guidelines, the Participating Lender Agreement, the GNMA Guide and FHA, VA or USDA-RHS rules and regulations, each as applicable; and

(xiv) shall be eligible for pooling and securitizing into GNMA Certificates.

(c) *Fees and Charges.* Upon receipt of an application for a Mortgage Loan, a Lender may charge an application fee, appraisal fee, credit report fee, and similar fees, but only to the extent permitted by applicable laws and regulations. At the Closing, a Lender may collect from either the Eligible Borrower or Seller (i) the Origination Fee, (ii) the Discount Fee, *provided* that neither the Origination Fee nor the Discount Fee exceed the applicable FHA, VA, USDA-RHS or GNMA limits; (iii) the Funding Fee, the Compliance Review Fee and the Tax Service Fee, and (iv) all other reasonable and customary charges paid or incurred by the Lender for hazard or mortgage insurance premiums, life of loan flood monitoring fee as specified in the Lender Guide, any FHA Insurance fee, VA Guaranty fee, USDA-RHS Guaranty fee, survey, title insurance, appraisal fees, abstract and attorneys' fees, recording or registration charges, escrow fees, file preparation fees, credit reports, and similar charges, but only to the extent permitted by applicable laws and regulations. Any amounts collected by the Lender with respect to a Mortgage Loan prior to the Closing Date from either the Eligible Borrower or the Seller shall be credited to the proper party at the Closing. No other fees, charges, or remuneration of any kind may be received by or on behalf of any Lender from any person in connection with a Mortgage Loan under this Program other than a reimbursement by the Servicer of any Down Payment Assistance advanced to a Mortgagor by the Lender, which reimbursement is included in the Mortgage Loan Purchase Price.

(d) *Verification of Mortgage Eligibility Requirements.* In order to ensure that each Mortgage Loan is made to an Eligible Borrower to finance a Residence in accordance with the applicable Program rules, the Lender shall use good faith efforts and diligence in carrying out the following procedures with respect to each Mortgage Loan:

(i) the Lender shall obtain a Program Affidavit duly executed by the Mortgagor and the Lender and shall review, verify and certify that the requirements of Sections 5 and 7(b) are satisfied;

(ii) the Lender shall perform such additional investigation as may be appropriate under the circumstances (including, but not limited to, personal or telephone interviews with the Mortgagor and the Seller, examination of canceled checks or receipts evidencing payment of rent, review of employment and utility records, review of the purchase contract for the Residence to determine the Purchase Price, and review of title information to verify the absence of any existing permanent mortgage on the Residence executed by the Mortgagor) to verify that the applicable Maximum Purchase Price limit is satisfied as of the date of the execution of the Mortgage Loan;

(iii) the Lender shall review the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the requirements of this Agreement;

(iv) the Lender shall prepare execute, and deliver the Program Affidavit; and

(v) the Lender shall carry out such additional verification procedures as may be reasonably requested by TSAHC or the Servicer.

The obligations of the Lender pursuant to this paragraph 7(d) shall inure to the benefit of TSAHC and the Servicer.

(e) *Notice to TSAHC by Lender of Invalid Representation, Warranty or Covenant.* If, at any time, any representation, warranty or covenant of the Lender set forth in this Agreement or any other Program Document would not be true and correct in all respects if made by the Lender at such time (regardless of whether such representation or warranty is actually made, deemed to be made, or required to be made at such time), the Lender shall immediately notify TSAHC of such fact and provide a full and accurate explanation thereof.

Section 8. Prohibition of Discrimination. The Lender shall not arbitrarily reject an application for a Mortgage Loan because of the location and/or age of the property, or in the case of a proposed Mortgagor, arbitrarily vary the terms of a loan or the application procedures therefor or reject a Mortgage Loan applicant because of the race, color, religion, national origin, age, sex or marital status of such applicant. In accepting, evaluating, and acting upon such applications, the Lender shall comply, if applicable, with the Federal Fair Housing Act and with the Federal Equal Credit Opportunity Act and Regulation B promulgated thereunder. All applications for Mortgage Loans and evidence of actions taken with respect thereto shall be retained by the Lender until the Mortgage Loan is fully paid.

Section 9. Mortgage Loan Submission and Purchase; Compliance Package Submission. (a) The Servicer has no obligation to purchase a Mortgage Loan from the Lender unless the Mortgage Loan meets all the requirements set forth in the Program Documents. Each Mortgage Loan must be current as to payments of principal, interest, taxes and insurance at the time of purchase by the Servicer.

The Lender shall use the Lender Portal to register each Mortgage Loan. The Mortgage File shall be submitted in the order described in the applicable Mortgage File Checklist of the Lender Guide. The Lender hereby warrants that all copies submitted to the Servicer or TSAHC (if permitted) will be true and accurate copies of the respective original documents and instruments.

(b) Prior to the delivery of the Mortgage File to the Servicer in connection with the purchase of a Mortgage Loan, the Lender shall record or file for recording an Assignment of Mortgage Note and Mortgage for the related Mortgage Loan in all offices necessary to perfect the assignment of the Mortgage to the Servicer under the laws of the State. All notices to insurers or Mortgagors under any insurance policies maintained with respect to a Mortgage Loan for the assignment to the Servicer of the servicing of such Mortgage Loan shall be given by the Lender prior to purchase by the Servicer. Immediately upon Purchase, written notice shall be given by the Lender to the Mortgagor that servicing has been assigned to the Servicer and that future payments on the Mortgage Loan shall be made to the Servicer. The Lender shall also provide to the Servicer or TSAHC such other reports or information regarding the Mortgage Loan being sold by such Lender as may be reasonably requested by either of them.

(c) The Lender shall pay all costs of preparing and furnishing the Mortgage File to the Servicer and the Compliance Package to TSAHC and shall pay the Funding Fee, Tax Service Fee and the Compliance Review Fee, if any, to the Servicer. The Lender shall service each Mortgage Loan originated by it from the Closing Date to the Purchase Date for such Mortgage Loan, which servicing shall include processing, posting payments and paying taxes and insurance with respect thereto. The Lender shall be

obligated to pay any fees or penalties associated with late payment of taxes and/or insurance that were due with respect to a Mortgage Loan during the period prior to the Servicer's purchase thereof. The Mortgage File shall be reviewed by the Servicer pursuant to procedures established by the Servicer prior to the Purchase Date. A Lender must submit a Pre-Closing Compliance Package to TSAHC for preliminary review at least ten (10) calendar days prior to the Closing Date (or such other time period set forth in the Program Guidelines). Preliminary review and approval shall not assure the subsequent purchase by the Servicer if factual changes occur with respect to the Mortgage File or the Program between the date of the preliminary approval and the Purchase Date. Any Mortgage Loan with respect to which the Compliance Package or the Mortgage File is deemed to be defective will be returned to the Lender by the Servicer. To be purchased, such defective Mortgage Loan must be resubmitted in accordance with the procedures of this Section; *provided, however*, that the Servicer in its discretion may hold such documents pending curative action. Any Mortgage File held by the Servicer for more than thirty (30) days without curative action having been taken by the Lender shall be returned to the Lender. Neither the examination nor the acceptance of a Mortgage File by the Servicer or the related Compliance Package by TSAHC, shall constitute a waiver of any warranty, representation or covenant by the Lender or the Mortgagor with respect to the related Mortgage Loan. Any review or approval by the Servicer or TSAHC of any Mortgage Loan, or the credit or tax compliance information in connection therewith, or the issuance by TSAHC of a Commitment Letter hereunder, shall not relieve the Lender of responsibility or liability for the performance or nonperformance of its obligations hereunder.

Section 10. Defective Mortgage Loans and Repurchase of Mortgage Loans. Each Lender agrees to repurchase any defective Mortgage Loan from the Servicer in accordance with the provisions of the Participating Lender Agreement and any other applicable Program Document.

Section 11. Review of Lender's Performance. TSAHC and the Servicer shall each have the right to review the performance of the Lender, and TSAHC's review may include the reports and recommendations of the Servicer and such other evidence as may be presented to TSAHC regarding the Lender, to determine if the Lender is performing in accordance with the standards required by this Agreement.

If TSAHC or the Servicer determines that the Lender is not performing in accordance with such standards, TSAHC or the Servicer shall notify the Lender of any such deficiency, and if such deficiency is sufficient to warrant termination of the Lender by TSAHC or the Servicer, then TSAHC or the Servicer, as applicable, shall notify the Lender that the services of the Lender are being terminated and the date on which such termination shall be effective. Any notice so provided to a Lender by TSAHC or the Servicer shall be provided at the same time to the Servicer or TSAHC, respectively.

Section 12. Lender Not to Resign. The Lender shall not have the right to resign from the obligations and duties imposed on it under the Program Documents. Except as permitted by Section 4(I), no Lender shall have the right or privilege to assign or transfer its rights and duties hereunder without the consent of TSAHC and the Servicer.

Section 13. Involuntary Termination of Lender. TSAHC may terminate this Agreement with respect to the Lender upon the happening of any one or more of the following events:

(a) Any representation, warranty or covenant of the Lender to TSAHC under this Agreement or to the Servicer under the Participating Lender Agreement shall be false in any material respect;

(b) Failure of the Lender to comply in all respects with its obligations under this Agreement and/or the Participating Lender Agreement or any other Program Document;

(c) Failure of the Lender to duly observe or perform in any material respect any other covenant, condition, or agreement herein to be observed or performed by the Lender other than as referred to in Sections 13(a) or (b), for a period of thirty (30) days after a written notice to the Lender from either TSAHC, the Trustee, or the Servicer, specifying such failure and requesting that it be remedied; *provided, however*, that if the failure stated in such notice cannot be corrected within the applicable period, the person giving such notice shall consent to a reasonable extension of time if corrective action is instituted by the Lender within the applicable period and diligently pursued until fully corrected; *provided further*, that if the failure cannot be corrected within such period, the Lender may be terminated pursuant to this Section 13;

(d) Issuance or entry of a decree or order of a court, agency, or supervisory authority having jurisdiction in the premises appointing a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceeding affecting the Lender or substantially all of its properties, or for the winding-up or liquidation of its affairs, if such decree or order shall have remained in force undischarged or unstayed for a period of sixty (60) days;

(e) Consent by the Lender to the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceeding affecting the Lender or substantially all of its properties;

(f) Admission in writing by the Lender of its inability to pay debts generally as they mature, or the filing of a petition to take advantage of any applicable bankruptcy or insolvency statute or Debtor Relief Laws, or the making of an assignment for the benefit of creditors;

(g) Failure by the Lender to repurchase a Non-Qualifying Mortgage Loan purchased by the Servicer pursuant to the Participating Lender Agreement or any other Program Document or pursuant to any prior program agreement offered by TSAHC; or

If any of the events specified in (d), (e), or (f) shall occur, the Lender shall provide written notice of such occurrence to TSAHC immediately upon the happening of such event (and in no event more than two (2) Business Days after such event).

Section 14. Lender's Excused Nonperformance. Notwithstanding anything in this Agreement to the contrary, there shall be no termination of, and no liability under, this Agreement with respect to the Lender for its failure to duly observe or perform in any material respect any covenant, condition, or agreement to be observed or performed by the Lender, if such failure on the part of the Lender is directly caused by the failure of the Servicer, or TSAHC to duly observe or perform in any material respect any covenant, condition, or agreement to be observed or performed by the Servicer or TSAHC.

Section 15. Access to Lender's Records. TSAHC and its respective agents may from time to time request a Lender to allow the inspection of any of the Lender's books and records pertaining to the Program and the Lender shall allow such inspections and access to such books and records at reasonable times during the Lender's normal business hours and upon reasonable terms.

Section 16. Amendments and Revisions. This Agreement is subject to amendment and revision with prior notice to the Lenders. No such amendment or revision shall adversely affect any Mortgage Loan for which a Commitment has been previously made.

Section 17. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State, without regard to conflict of law principles, and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such Laws.

Section 18. Notices. All notices, certificates, or other communications hereunder shall be deemed given when delivered or five (5) Business Days after mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. TSAHC or the Lender may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates, and other communications shall be sent.

Section 19. Severability. If one or more provisions of this Agreement, or the applicability of any such provision or provisions under any set of circumstances, shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

Section 20. Further Assurances and Corrective Instruments. The Lender agrees that it will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required or appropriate to further express the intention, or to facilitate the performance, of this Agreement.

Section 21. Term of Agreement. This Agreement shall continue in full force and effect until TSAHC provides written notice to the Lender that the Programs are terminated. At such time the Lenders shall cease originating Mortgage Loans, but this Agreement shall remain in effect for Mortgage Loans for which reservations have been made.

Section 22. No Rights Conferred on Others. Nothing in this Agreement shall confer any right upon any persons other than TSAHC and the Lender.

Section 23. Limitation on Liability of Parties. Each party to this Agreement shall be liable under this Agreement only to the extent that obligations are explicitly imposed upon and undertaken by the party against whom enforcement is sought. TSAHC shall not be held liable for any expenses incurred by the Lender under the Program. TSAHC shall not be liable to the Lender, or any other person, for the taking of any action, or for refraining to take any action, in good faith pursuant to this Agreement, or for errors in judgment. In addition, in the event any party to this Agreement is entitled to indemnification hereunder, the officers, directors, employees, and agents of such party shall also be entitled to indemnification hereunder to the same extent and under the same circumstances as such party.

Section 24. Limitation on Liability of Directors, Officers, Employees, and Agents of a Party. No director, officer, employee, agent or governmental official of any party to this Agreement shall be individually liable to any other party for the taking of any action, or for refraining to take any action, pursuant to this Agreement, or for errors in judgment.

Section 25. Survival of Obligations and Covenants. Notwithstanding anything to the contrary herein, the expiration of this Agreement or the termination or resignation of any Lender under this

Agreement shall not affect any obligations of such Lender under this Agreement, including, without limitation, obligations under Section 6(c). The representations, warranties, and covenants of Lender under Sections 4 and 5 shall continue without regard to any termination of Lender hereunder. Any indemnities in this Agreement shall survive the termination of a Lender hereunder.

Section 26. Reports and Payments Due on Weekends and Holidays. Any report, certificate, or payment required hereunder falling due on a Saturday, Sunday, or other day on which banking institutions in the State are authorized or obligated by Law or executive order to close shall be due on the next succeeding day which is not a Saturday, Sunday, or a day on which banking institutions are authorized or obligated by law of Texas to close.

Section 27. Attorney Fees. In the event the Lender should fail to materially perform its obligations under any of the provisions of this Agreement or any other Program Document, and TSAHC should employ attorneys or incur other expenses for the enforcement of performance or observance of any material obligation or agreement on the part of the Lender herein or therein contained, the Lender agrees that to the extent permitted by law they will pay or reimburse TSAHC, on demand, the reasonable fee of such attorneys and such other reasonable expenses incurred in connection with the Lender's material failure to perform its obligations hereunder.

Section 28. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

Section 29. Limited Liability. All monetary obligations of TSAHC incurred hereunder, and any remedies arising against TSAHC by reason of its default, shall be payable solely out of, and all liability of TSAHC shall be limited to, revenues and receipts derived from the transactions contemplated and performed pursuant to the Program Documents.

THIS AGREEMENT has been executed as of _____, 201_ and is signed by an authorized representative of TSAHC and an authorized representative of the Lender, respectively.

Texas State Affordable Housing Corporation

Signature:

Name [Printed]:

Title:

David Long

President

Lender Name:

Designated Representative Signature:

Designated Representative Name [Printed]:

Title of Designated Representative:

Email:



PROGRAM GUIDELINES

FOR

TSAHC HOMEOWNERSHIP PROGRAMS

Revised 06/24/2013

REVISIONS TABLE

Section	Page	Revision	Date
1.1	1	Professional Educators now fall under the Homes for Texas Heroes Program	06/24/13
2.1	1	Addition of rate/term refinance loans to Homebuyer Requirement	06/24/13
2.6, App. A	2, 24	Under Eligible Borrower: <ul style="list-style-type: none"> Professional Educators and Veterans now fall under the Texas Heroes category Deletion of existing mortgage language Addition of Appraised Value 	06/24/13
2.6(i)a, App. A	2, 24	All Texas Heroes must be full-time employees	06/24/13
2.7	4	<ul style="list-style-type: none"> Homebuyer education is only required for purchase loans, not rate/term refinance loans Added www.texasfinancialtoolbox.com as resource to help find a homebuyer education course 	06/24/13
3.2	4	Replace New Mortgage Requirement with Purpose of Loan, allowing both first lien purchase or rate/term refinance loans	06/24/13
3.3	4	Addition of two interest rate/assistance grant options	06/24/13
3.3	5	Remittance of Down Payment Assistance	01/23/13
3.3	5	New Procedures for Table Funding Down Payment Assistance Grant	03/01/13
3.5	5	MCC can only be used in combination with purchase loans	06/24/13
4.3	6	Clarification of Purchase Price to include Appraised Value	06/24/13
5.1	7	Removed requirement related to maximum debt-to-income ratio of 45%	01/31/13
6	9	Revised Flowchart to Reflect Table Funding of Down Payment Assistance	03/01/13
7.5-6b	13	Correction to Approval Stage Status	01/23/13
8.2	18	Clarification that the Mortgage Loan Purchase Price will no longer include reimbursement for Down Payment Assistance grant	01/23/13
App. A	22	Added Appraised Value definition	06/24/13
App. A	24	Added Professional Educator and Veteran to Texas Hero category under Eligible Borrower definition	06/24/13
App. A	31	Added Veteran definition	06/24/13
App. D	37-48	Revised Forms 1, 2, 3, 4, 6, & 9 to allow either first lien purchase or rate/term refinance loans and two interest rate/assistance grant options	06/24/13
App. D	39	Revised Eligible Borrowers under Form 2	06/24/13
App. D	48	Added Form 9 - Request for Funds	01/23/13



Homeownership Program Guidelines

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SECTION 1 - INTRODUCTION TO THE TSAHC HOMEOWNERSHIP PROGRAMS

1.1 Forward

The Texas State Affordable Housing Corporation (“TSAHC” or “Program Administrator”) offers the following two Homeownership Programs (the “Programs” or “Program”) to low-to-moderate income homebuyers across the State of Texas.

- Homes for Texas Heroes Home Loan Program
- Home Sweet Texas Home Loan Program

Each such program (each a “Program” and collectively the “Programs”) provides a market rate 30-year fixed-rate mortgage **plus** a non-repayable grant for down payment and closing cost assistance. TSAHC, after evaluating market conditions, will set the interest rates which may change daily. Please refer to the Lender Portal for current rates at www.tsm-online.org.

TSAHC will provide the online reservation and compliance system (“Lender Portal”) for loans originated under the Programs. TSAHC will also provide the Program Guidelines, applicable forms and affidavits, and will review Compliance Packages for compliance with TSAHC’s eligibility requirements.

U.S. Bank, N.A. (the “Servicer”) will purchase and service all Mortgage Loans originated under the Homeownership Programs. All Mortgage Loans must be delivered within the specified timeframes described below and must be eligible for inclusion in a Ginnie Mae Mortgage Backed Security (“MBS”).

These Program Guidelines (“Program Guidelines”) are intended to describe the current Program rules and guidelines, outline the role of the Program Administrator and set forth the requirements for Borrowers and Lenders to participate in the Program. Capitalized terms used in the Program Guidelines that are not defined herein shall have the meanings set forth in Appendix A. The Program Administrator may revise the Program Guidelines from time to time. Public notice of any material changes to the Program will be published on TSAHC’s website at www.tsahc.org and on the Lender Portal at www.tsm-online.org.

SECTION 2 – MORTGAGOR ELIGIBILITY

2.1 Homebuyer Requirement

Borrowers are not required to be first-time homebuyers. Borrowers may have previously owned or may currently own a home; provided that the home being purchased or refinanced under the Program must become or remain the Borrower’s Principal Residence within 60 days of loan Closing.

NOTE: The first-time homebuyer rule will apply to Borrowers who combine a Mortgage Credit Certificate (“MCC”) with a TSAHC Homeownership Program Mortgage Loan.

2.2 Income Limitation

Eligible Borrowers’ Family Income must be within Program limitations. Please see the Program Administrator’s website at www.tsahc.org or the Lender Portal at www.tsm-online.org for the Maximum Family Income limits governing this Program.

- a. For purposes of meeting the eligibility criteria associated with the Maximum Family Income limits, only the income of the Mortgagor(s) will be considered. The income of a Non-Purchasing Spouse (“NPS”) will not be included in the calculation of Family Income.
- b. Only the income used to qualify the Mortgagor for repayment of the Mortgage Loan (from the Loan Application – 1003 and/or the applicable underwriting worksheet) will be compared against the Maximum Family Income limits associated with the Program. This is a departure from the old Bond program rules in which the income of all persons residing in the residence and liable on the Mortgage Loan would be included in the calculation of Family Income.

2.3 Principal Residence Requirement

The Borrower must use the Residence financed under a Program as his or her Principal Residence. The Borrower must submit the applicable Program affidavits, which includes a statement of the Borrower’s intent to use the Residence as his or her Principal Residence, within a reasonable time (not to exceed 60 days) following the Closing of the Mortgage Loan. A Residence that is primarily intended to be used as a vacation home or in a trade or business is not a Principal Residence.

2.4 Usage of Residence in a Trade or Business

The land attached to a Residence will be considered a part of the Residence only if such land reasonably maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to the Borrower.

Except for the units rented in a two-to-four unit dwelling, where one unit is owner-occupied, the Borrower cannot use more than 15% of the Residence in a trade or business. The Lender should review the Borrower(s) tax returns to see if the Borrower(s) deducted any portion of the cost of the Residence as a home business expense and determine whether more than 15% of the Residence was used in a trade or business. Borrowers providing childcare in the home are assumed to be using more than 15% of the Residence for business purposes and, therefore, do not qualify for the Program.

2.5 Residency Requirements

Please follow FHA Agency guidelines related to non-U.S. citizen Borrowers.

2.6 Eligible Borrowers

Eligible Borrowers include Texas Heroes and Low-Income Borrowers who meet applicable Program requirements as set forth below:

(i) “Texas Hero” Category. Under this category, a person qualifies under the Program if such person, at the time such person files an application for a Mortgage Loan, is a person:

(a) who is one of the following—

- (i) Professional Educator: a full-time classroom teacher, full-time paid teacher’s aide, full-time librarian, full-time school nurse, full-time counselor, Professional Nursing Program Faculty Member, or Allied Health Program Faculty Member;

- (ii) Veteran;
- (iii) Full-time Fire Fighter;
- (iv) Full-time Corrections Officer or Juvenile Corrections Officer;
- (v) Full-time County Jailer;
- (vi) Full-time Public Security Officer;
- (vii) Full-time Peace Officer; or
- (viii) Full-time Emergency Medical Service Personnel;

(b) who resides in the State of Texas;

(c) whose income does not exceed the Maximum Family Income limit;

(d) who intends to occupy the Residence to be financed with a Mortgage Loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan;

(e) who has not previously obtained a Commitment for a Mortgage Loan under the Program;
and

(f) the Purchase Price or (Appraised Value in a rate/term refinance transaction) of the related Residence does not exceed the Maximum Purchase Price limit.

(ii) Low Income Category. Under this category, a person qualifies under the Program if such person, at the time such person files an application for a Mortgage Loan, is a person:

(a) who resides in the State of Texas;

(b) whose Family Income does not exceed the applicable Maximum Family Income limit, which amount shall not be greater than 80% of Applicable Median Family Income without adjustment for family size;

(c) who intends to occupy the Residence to be financed with a Mortgage Loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan;

(d) who has not previously obtained a Commitment for a Mortgage Loan under the Program;
and

(e) the Purchase Price (or Appraised Value in a rate/term refinance transaction) of the related Residence does not exceed the Maximum Purchase Price limit.

2.7 Homebuyer Education

Borrowers purchasing* a home must complete a homebuyer education course prior to Closing. The education requirement may be met by attending one-on-one counseling as provided through TSAHC's network of housing counseling agencies, online courses, and/or HUD, Fannie Mae or Freddie Mac approved counseling programs. Borrowers can visit www.texasfinancialtoolbox.com to find a provider in their area.

A copy of the homebuyer education certificate must be included in the Post-Closing Compliance Package submitted to the Program Administrator.

**Homebuyer education is not required for those individuals using TSAHC's Homeownership Programs to refinance their current loan.*

SECTION 3 – LOAN ELIGIBILITY

3.1 Types of Loans

Only 30-year, fixed rate Mortgage Loans are allowed. Furthermore, the only loan types allowed are:

FHA Loans

- 203(b), 203(b)(2), 203(h) and 234(c)
- Temporary buydowns permitted (FHA loans only) – limited to 1 or 2-year buydowns with a maximum interest rate change of 1.00% per year. Refer to the Servicer's Lender Guide for additional rules regarding buydowns.

VA Loans

- Must be originated and guaranteed in accordance with VA guidelines 1810 and 181A.
- Temporary buydowns are not permitted for VA loans.

USDA Rural Housing Service (RHS) Loans

- Must be originated and guaranteed in accordance with USDA-RHS guidelines.
- Temporary buydowns are not permitted for USDA-RHS loans.

3.2 Purpose of Loan

First lien purchase or rate/term refinance loans are eligible under the Programs. Cash-out refinance loans are not eligible under TSAHC's Homeownership Programs. Streamline refinance transactions are also ineligible. A full appraisal and full credit underwriting must be performed in conjunction with all refinance transactions.

3.3 Assistance Grant

TSAHC will provide down payment and closing cost assistance (the "Assistance Grant") in the form of a non-repayable grant. TSAHC's Assistance Grant may be used to fund up to 100% of the Borrower's cash requirement to close, including the down payment, closing costs, pre-paid items and other related Mortgage Loan fees and expenses. No portion of the Assistance Grant can be paid to the Borrower unless the Borrower is being reimbursed for an overage of his/her earnest money deposit to the extent the minimum Borrower contribution

has been satisfied. Under the Rate/Term Refinance option, any funds above the amount needed to pay the Borrower's loan related costs must be used to reduce the principal amount of the Mortgage Loan.

Two Interest Rate/Assistance Grant options are available under TSAHC's Homeownership Programs:

1. Standard Option. Purchase or rate/term refinance transaction with an Assistance Grant equal to 5.0% of the Mortgage Loan Amount.
2. Lower Rate Option. Purchase or rate/term refinance transaction with a lower interest rate and an Assistance Grant equal to 3.0% of the Mortgage Loan Amount.

TSAHC will remit funds associated with our down payment/closing cost assistance grant directly to the applicable title company/escrow officer on the loan closing date as follows:

1. At least two (2) business days prior to loan closing, the lender must submit the Funding Request Form (a sample can be found in Appendix D) to TSAHC along with a final HUD-1 Settlement Statement*.
2. TSAHC will review the information on the Funding Request Form to ensure accuracy and notify the lender of any inconsistencies prior to the loan closing date.
3. TSAHC will process the request and wire the funds to the escrow/closing agent on the scheduled day of closing.
4. The lender should request a copy of the wire transmission from the title company/escrow agent to keep with the loan file for audit purposes.

*Please submit the Funding Request Form at least two (2) business days prior to the scheduled loan closing regardless of whether or not the final HUD-1 Settlement Statement is available at that time. TSAHC will process the request, but will not wire funds until the final HUD-1 Settlement Statement has been received.

In the event a loan is not purchased by the later of the 70th day after initial loan reservation or the last day of any extension(s) that were granted, the Lender must reimburse TSAHC for the down payment assistance funds TSAHC provided at loan closing. In such cases, TSAHC will notify the Lender and the Lender will have 15 days to remit the funds owed to TSAHC.

3.4 Subsidy Programs

Additional subsidy programs may be used in conjunction with the Assistance Grant provided they meet FHA, VA, RHS, Ginnie Mae and Servicer (US Bank) guidelines.

3.5 Mortgage Credit Certificate ("MCC") Program

The Borrower may choose to combine an MCC with a Homeownership Program Mortgage Loan for purchase transactions only. The rate/term refinance product cannot be used in conjunction with an MCC. Keep in mind, the more stringent MCC eligibility criteria will apply (such as a first-time homebuyer requirement). Please refer to TSAHC's MCC Program Guidelines for instructions related to originating a combination MCC/Homeownership Program Mortgage Loan.

SECTION 4 – PROPERTY ELIGIBILITY

4.1 Eligible Loan Area

The home being purchased or home loan being refinanced must be located in the Eligible Loan Area. The Eligible Loan Area for this program is the State of Texas. The Lender should verify the property's location within the Eligible Loan Area by reviewing the property appraisal and location where the property taxes are paid.

4.2 Qualifying Residences

New or existing single family homes, detached or attached structures, consisting of not more than four connected dwelling units intended for residential housing, each for one family, or a single unit in a condominium or townhouse are eligible Residences. A single unit in a duplex, triplex, or fourplex, or an entire duplex, triplex, or fourplex can be financed, provided that one of the units will be occupied by the Borrower.

Manufactured homes are also eligible, but they must meet HUD guidelines and Program requirements. To qualify, a manufactured home must be manufactured in a factory after June 15, 1976, delivered to a home site in more than one section and affixed on a permanent foundation. The dimensions of the completed dwelling shall be not less than 20 feet by 40 feet, the roof must be sloping and the siding and roofing must be substantially similar to those found in site built dwellings. Refer to the Servicer's Lender's Guide for additional information on the origination and purchase of manufactured housing under the Homeownership Programs.

The following types of properties are not eligible for the Program:

- a. Rental homes
- b. Cooperative housing
- c. Home used as investment property
- d. Recreational, vacation or "second" homes
- e. Motor homes, campers and similar vehicles

4.3 Purchase Price or Appraised Value Limitation

The Purchase Price (or Appraised Value in a rate/term refinance transaction) cannot exceed the Maximum Purchase Price limit. The Purchase Price limits are based on a percentage of the Average Area Purchase Price, as determined and updated by the IRS. For purposes of qualifying Eligible Borrowers for the Program, the Program's Purchase Price is simply the sales price of the property indicated on the property sales contract between the buyer and seller. For current Maximum Purchase Price limits, visit the Program Administrator's website at www.tsahc.org or the Lender Portal at www.tsm-online.org.

4.4 Targeted Areas

Certain census tracts within the Eligible Loan Area or "areas of chronic economic distress" may be designated as Targeted Areas. The benefits of originating a Mortgage Loan in a Targeted Area are higher Maximum Family Income limits and higher Maximum Purchase Price limits. Visit the Program Administrator's website at www.tsahc.org or the Lender Portal at www.tsm-online.org for a list of Targeted Areas.

SECTION 5 – MORTGAGE LOAN UNDERWRITING AND PURCHASE

5.1 General Mortgage Underwriting

Lenders are responsible for credit underwriting decisions on all Mortgage Loans originated under the Homeownership Programs. Mortgage Loans must be underwritten to the standards of the applicable loan type (FHA, VA or USDA-RHS). Mortgage Loans may be underwritten through an Automated Underwriting System (“AUS”) – Fannie Mae’s Desktop Underwriter (“DU”) or Freddie Mac’s Loan Prospector (“LP”), or manually underwritten according to the criteria established for the applicable loan product.

The underwriter must submit the Underwriter’s Certification form to TSAHC through the Lender Portal at www.tsm-online.org within 15 calendar days of Mortgage Loan reservation.

In addition to the standard FHA, VA and USDA-RHS underwriting guidelines, the following credit overlays have been incorporated to enhance loan performance.

1. Borrowers must have a representative FICO (Fair Isaac Corporation) score of six hundred forty (640) or greater.
 - a. If the minimum credit score required by the applicable government agency (FHA, VA, RHS or Ginnie Mae) is higher than the minimum credit score posted in the Program Guidelines, you must follow the agency guidelines.
 - b. If your organization’s internal requirements mandate a higher minimum credit score, you must follow your internal guidelines.
 - c. If a tri-merged credit report is used, the middle score must conform to the Program Guidelines.
 - d. If a merged credit report only provides two credit scores, the lower of the two must be used.
 - e. If a Borrower has no credit score, you may manually underwrite the loan using the alternative credit guidelines for the appropriate loan product.
 - f. If you are using U.S. Bank for underwriting and those guidelines mandate a higher minimum credit score, the loan must conform to the U.S. Bank guidelines.
 - g. For a loan with more than one Borrower, you must consider the credit profile of the Borrower with the lowest representative credit score for the purposes of identifying eligibility under the Homeownership Programs.

5.2 Cosignors

Cosignors are only permitted for Mortgage Loans underwritten to FHA guidelines. The applicable cosigner must meet the following conditions.

1. The cosignor may not take any ownership interest in the property being financed with the Mortgage Loan and may not sign the deed of trust.
2. The cosignor may not occupy the property being financed with the Mortgage Loan and should not execute any of the Program documents or affidavits.
3. The cosignor’s income should not be considered when calculating the Family Income for comparison against the Maximum Family Income limits established for the applicable Program.
4. Non-occupant co-borrowers are not eligible under Homeownership Program Guidelines.

5.3 Assumptions

Mortgage Loans may be assumed by a qualified Borrower who meets all of the Program's eligibility criteria in place at the time of the assumption.

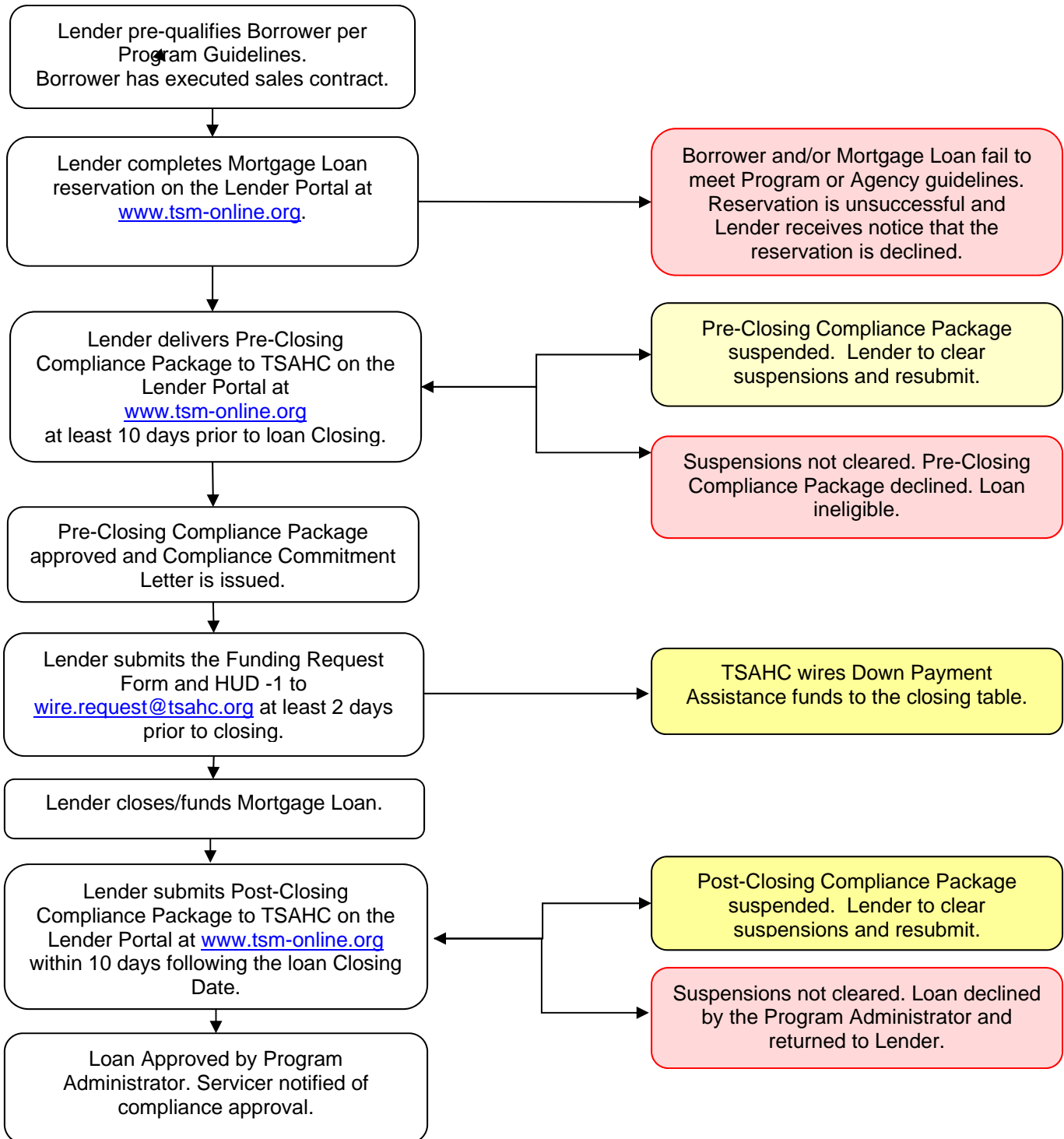
5.4 Mortgage Loan Delivery and Purchase

Lenders must close, fund and deliver Mortgage Loans to the Servicer (U.S. Bank National Mortgage Association) within forty-five (45) calendar days of the date the Mortgage Loan is reserved on TSAHC's Lender Portal.

The Mortgage Loan must be purchased by the Servicer within seventy (70) calendar days of the date the Mortgage Loan is reserved on TSAHC's Lender Portal. If a Mortgage Loan is not purchased within such seventy (70) day period, a one-time, 30-day extension is available for a fee of \$375.00.

The closed/funded Mortgage Loan with credit package must be sent directly to the Servicer for purchase. Delivery and funding information for the Mortgage Loan file can be found at: <http://www.mrbp.usbank.com>.

SECTION 6 - LOAN ORIGATION/FUNDING FLOWCHART



SECTION 7 – LOAN RESERVATION AND COMPLIANCE PROCEDURES

7.1 Rules Related to Reservation of Funds

The Lender commits to accept applications in all of its lending offices within the Eligible Loan Area. Funds will be issued on a first-come, first-served basis, irrespective of the Borrower's race, color, religion, national origin, age, or gender. There will be no restrictions as to the total number of reservations issued to any particular Lender.

At the time the Lender reserves a Mortgage Loan on the Lender Portal, the Lender must have a mortgage loan application from a Borrower and the Lender must have made a preliminary determination that the Borrower qualifies for the Program. In addition, for purchase loans, the Borrower must have furnished the Lender with a property sales contract or construction contract executed by the Borrower and the seller or builder of a Residence.

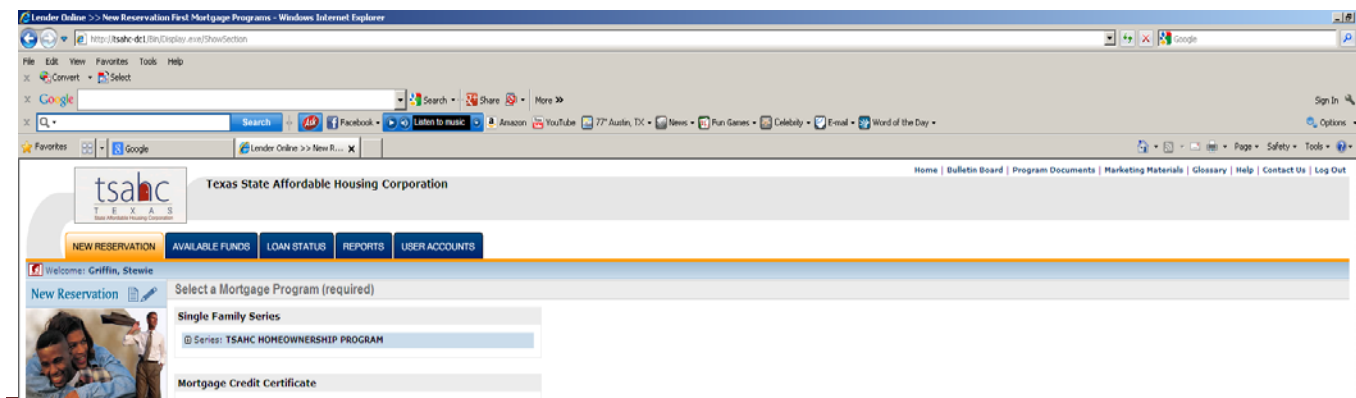
The Program Administrator will not allow a transfer of a reservation from one eligible Borrower to another, but may allow a loan transfer from one approved Lender to another. The Program Administrator will honor the original Commitment Expiration Date in connection with such transfer, as long as all other conditions are met. The transfer will be recognized and approved by the Program Administrator only after written notification is received from the original Lender. The reservation committed to an eligible Borrower may be transferred from one property to another with the prior approval of the Program Administrator.

7.2 Lender Portal

The Lender Portal is the software application that Lenders use to reserve funds and submit Pre and Post-Closing Compliance Packages under TSAHC's Homeownership Programs. In addition to managing the reservation and compliance functions, the Lender Portal is an interactive, web-based tool that allows Lenders to check the status of loans in their pipeline, view compliance conditions, print compliance approval (Commitment) letters, run reports, view Program Guidelines and marketing materials and keep abreast of current updates and other important information associated with the Programs.

7.3 Reserving Funds

- Login to the TSAHC Lender Portal at www.tsm-online.org.
- Select the "New Reservation" tab in the upper left corner.
- Select the appropriate Program from the list and complete the reservation form.
- The reservation window is open Monday through Friday between **9:00 a.m. and 7:00 p.m. (Central Time)** and will be unavailable on Saturdays, Sundays and weekdays (holidays) when the financial markets are closed.



1. Complete the entire reservation form and click “Submit” at the bottom of the form.
 - ✓ Required fields are designated with a red asterisk.
 - ✓ The reservation form may be populated by uploading your electronic loan application (1003). The 1003 must be uploaded from HTML format.

2. Once the loan is reserved, you will have the option to view or print your reservation confirmation.

3. The reservation confirmation will include the TSAHC Loan Number, the date reserved and the Commitment Expiration Date.

RESERVATION ACCEPTED

GENERAL INFORMATION	
Reservation Loan No 001062000003	Reservation Accepted Date Tuesday, September 25, 2012, at 02:21 PM
Commitment Expiration Date 11-09-2012	Reservation Expiration Date 12-04-2012
Lender Loan No 062	Lender Name TSAHC
Lender Fee Shared %	
FIRST MORTGAGE	
Program TSAHC Homeownership Program - Texas Homes	Program Fee \$0.00
Loan Amount \$137,000	Term 360 months
Estimated Monthly Escrow \$0.00	Interest Rate 4.000%
	Subordinate Financing \$0
BORROWER	
Full Name ANTHONY, BARTON	Loan Security No 000-1125
Home State Married	Age 31
Gender Male	Occupation Teacher
Address 00000-0000	Home Phone 000-000-0000
	Business Phone 000-000-0000
CO-BORROWER	
Full Name ANTHONY, MARTINEA	Loan Security No 000-0000
Home State Married	Age 31
Gender Female	Occupation Teacher
Address 00000-0000	Home Phone 000-000-0000
	Business Phone 000-000-0000
PROPERTY	
Purchase Price \$140,000	Acquisition Cost \$140,000
House No 1165	Tract DALLAS PARKWAY
City DALLAS	County Dallas
Zip Code 75218-0000	Year Built 0
	No. of Units 1 FAMILY
	Housing Type SF - 1 Unit

7.4 Mortgage Loan Delivery Timeframes

Once a Mortgage Loan has been reserved on the Lender Portal, the Lender has seventy (70) calendar days to close and fund the Mortgage Loan, obtain compliance approval from TSAHC and have the Mortgage Loan purchased by the Servicer (subject to a one-time 30-day extension as described in c.2 below).

- a. The Underwriter Certification form must be completed and submitted within 15 days of loan reservation.
- b. Lenders must submit a Pre-Closing Compliance Package **and** a Post-Closing Compliance Package to obtain full approval of eligibility criteria from the Program Administrator. The Pre-Closing Compliance Package must be submitted to the Program Administrator (through the Lender Portal) at least ten (10) calendar days prior to loan Closing. The Post-Closing Compliance Package must be submitted to the Program Administrator (through the Lender Portal) within ten (10) calendar days following the Closing Date of the Mortgage Loan, but in no event after the Commitment Expiration Date.
- c. The closed Mortgage Loan must be delivered to the Servicer for purchase within forty-five (45) calendar days of loan reservation and must be purchased by the Servicer within seventy (70) calendar days of loan reservation (the "Commitment Expiration Date").
 1. The Mortgage Loan must receive compliance approval from TSAHC in order to be eligible for purchase by the Servicer.
 2. The Lender may request a 30-day extension to the Commitment Expiration Date for a fee of \$375.00 (thus permitting the Mortgage Loan purchase to occur within one hundred (100) calendar days of loan reservation). This fee will be deducted from the Lender's wire at the time the loan is purchased by the Servicer. The extension fee is due regardless of whether or not the loan is actually purchased within the extension period. If the (extended) Mortgage Loan is not purchased within one hundred (100) calendar days from loan reservation, the loan will become ineligible for purchase and the lender will be billed by TSAHC for the \$375 extension fee.

7.5 Submitting Compliance Packages

1. Login to the Lender Portal at www.tsm-online.org.
2. Click on the “Loan Status” tab and use the search engine to locate the applicable loan.
3. Once the correct loan is identified, click on the “PDF Forms” tab associated with the selected loan.

Results for Lender: TSAHC

Actions	Reservation	Lender Loan No.	Borrower Name	Co-Borrower Name	State	Status	Date	HFA User
	001062000001	665214925	CLINTON, HILLARY ***-**-5455			Committed	09/24/2012	Tim Almquist
	001062000002		ROSE, AYL ***-**-3454			Reserved	09/21/2012	
	001062000003		WITHROW, BARTON ***-**-1125	WITHROW, MATILDA ***-**-5587		Reserved	09/25/2012	

4. Select the appropriate PDF form from the listed documents.
 - a. The first document to be completed/submitted is the Underwriter’s Certification. This form is due within 15 days of loan reservation. No signature is needed. Simply complete all required fields and click “Upload Package” at the bottom of the screen. The form will be automatically submitted and attached electronically to your loan package.

Select Documents

Reservation/Loan No: 001062000003 - WITHROW, BARTON

Document Name
<input type="checkbox"/> Compliance Package - Homeownership Programs
<input type="checkbox"/> Closing Package - Homeownership Programs
<input type="checkbox"/> Extension Request Form - Homeownership Programs
<input checked="" type="checkbox"/> Underwriter's Certification

Generate Documents Cancel

5. The next step is to complete and submit the Pre-Closing Compliance Package for TSAHC's review and approval.
 - a. The Pre-Closing Compliance Package must be submitted through the Lender Portal at least ten (10) calendar days prior to the anticipated Closing Date of your loan. Once approved, the Lender may enter the Lender Portal and print out a Commitment Letter from the PDF Forms tab associated with the loan under the "Loan Status" tab.
 - b. Once the Pre-Closing Compliance Package is approved by the Program Administrator, the Lender is authorized to submit the Funding Request Form and close/fund the Mortgage Loan and deliver the Mortgage File to the Servicer for review and purchase.
6. Once the Mortgage Loan is closed and funded, the Lender must submit the Post-Closing Compliance Package for TSAHC's review and approval.
 - a. The Post-Closing Compliance Package must be submitted to the Program Administrator through the Lender Portal within ten (10) calendar days of loan Closing, but in no event after the Commitment Expiration Date.
 - b. Upon approval by the Program Administrator, the Mortgage Loan will reflect a "Close Pkg. Rev." stage and a status of "Approved" on the Lender Portal and the Mortgage Loan will be eligible for purchase by the Servicer provided all Servicer conditions have been met.

7.6 Electronic Submission of Required Documents

The Lender Portal allows Lenders to submit electronic documents from our list of PDF forms or from your in-house loan file. Paper documents will not be accepted. All documents must be uploaded electronically through the Lender Portal.

- a. Under the Loan Status tab, click on the "PDF Forms" tab associated with the loan you are processing.
- b. Select the desired form and ensure all required fields are completed. The system will auto-fill the fields that were input at loan reservation.
 - a. If the applicable form requires no signature, it will have an "Upload Package" button at the bottom of the document. Simply click the button after completing the form and it will automatically upload to the eDocs module of the Lender Portal.
 - b. If the applicable form requires a signature, the form must be completed, printed and scanned to create a PDF document. The PDF document may then be uploaded to the system using the "eDocs" function associated with your loan under the "Loan Status" tab.

tsahc
Texas State Affordable Housing Corporation

NEW RESERVATION AVAILABLE FUNDS LOAN STATUS REPORTS USER ACCOUNTS

Welcome: Griffin, Stewie

Quick Search
Reservation No. [] Go
12 characters

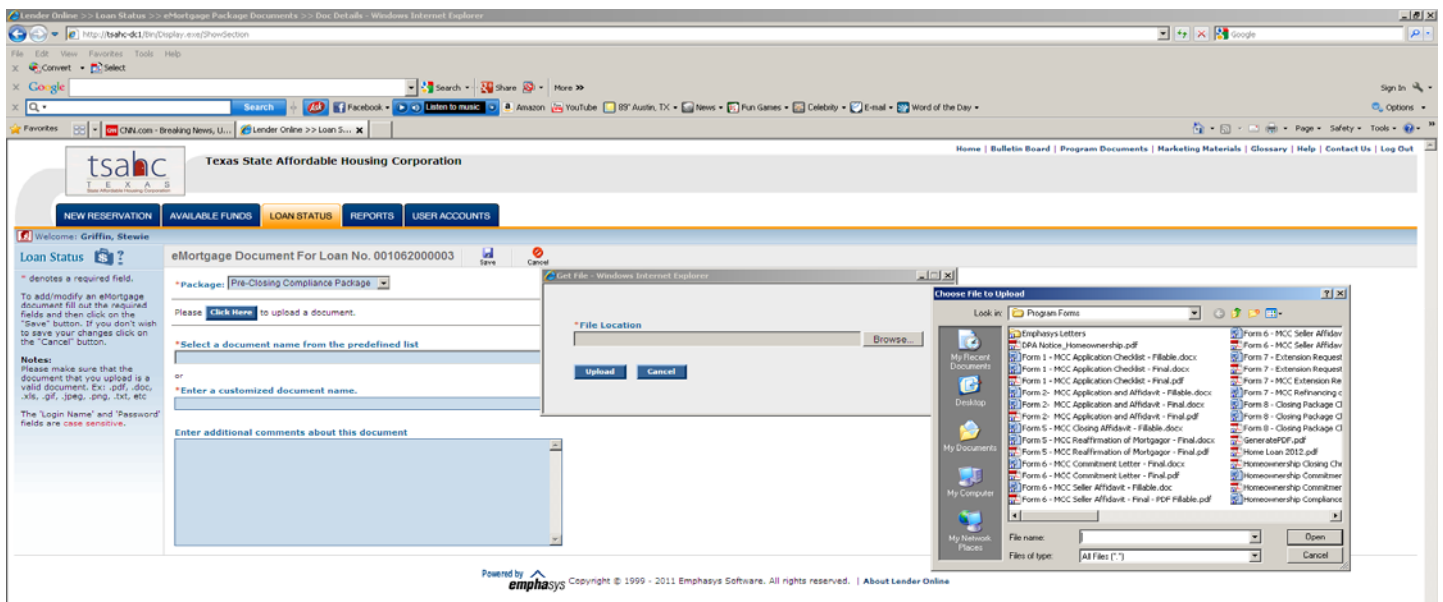
Advanced Search
☐ Lender Loan No. [] SSN []
☐ Borrower Name/SSN [] SSN []
☐ Co-Borrower Name/SSN [] SSN [] Go

Loans
Showing All Loans [Page 1 of 1] Page Size: 20 Total Records: 3

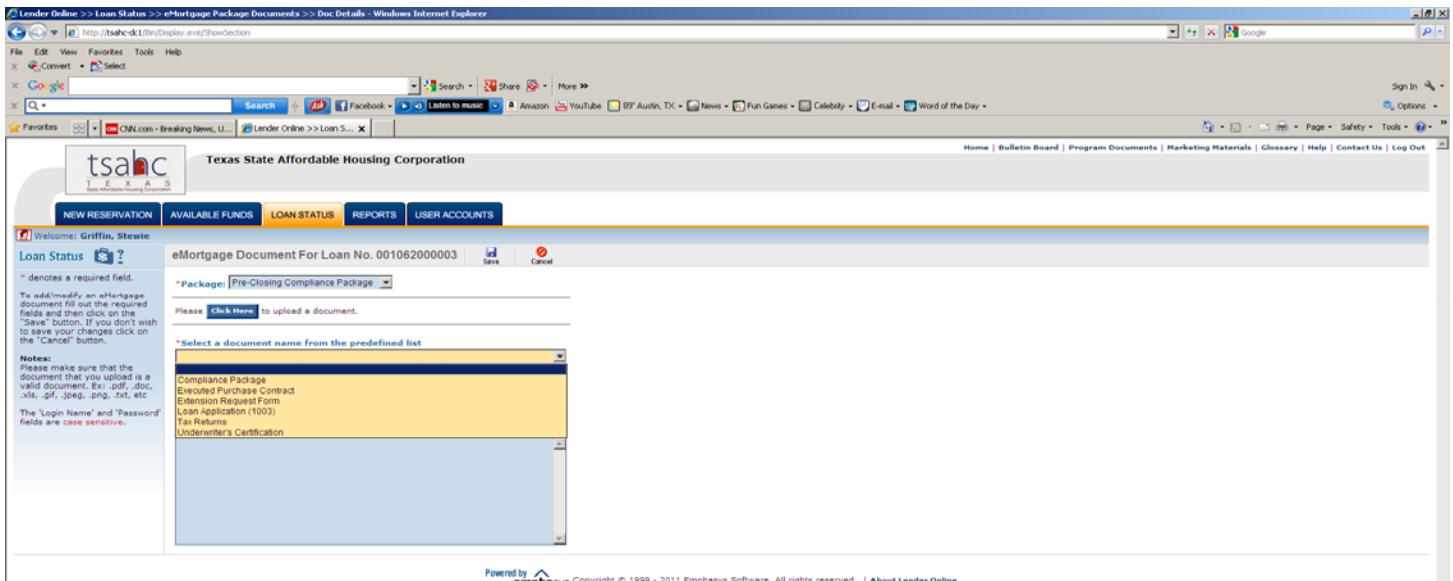
Actions	Reservation	Lender Loan No.	Borrower Name	Co-Borrower Name	Stage	Status	Date	HFA User
View PDFs PDF Docs eDocs	001062000001	665214825	CLINTON, HILLARY ***-**-455		Committed		09/24/2012	Tim Almqvist
View PDFs PDF Docs eDocs	001062000002		ROSE, AYL ***-**-244		Reserved		09/21/2012	
View PDFs PDF Docs eDocs	001062000003		WITHROW, BARTON ***-**-125	WITHROW, MATILDA ***-**-5587	Reserved		09/25/2012	

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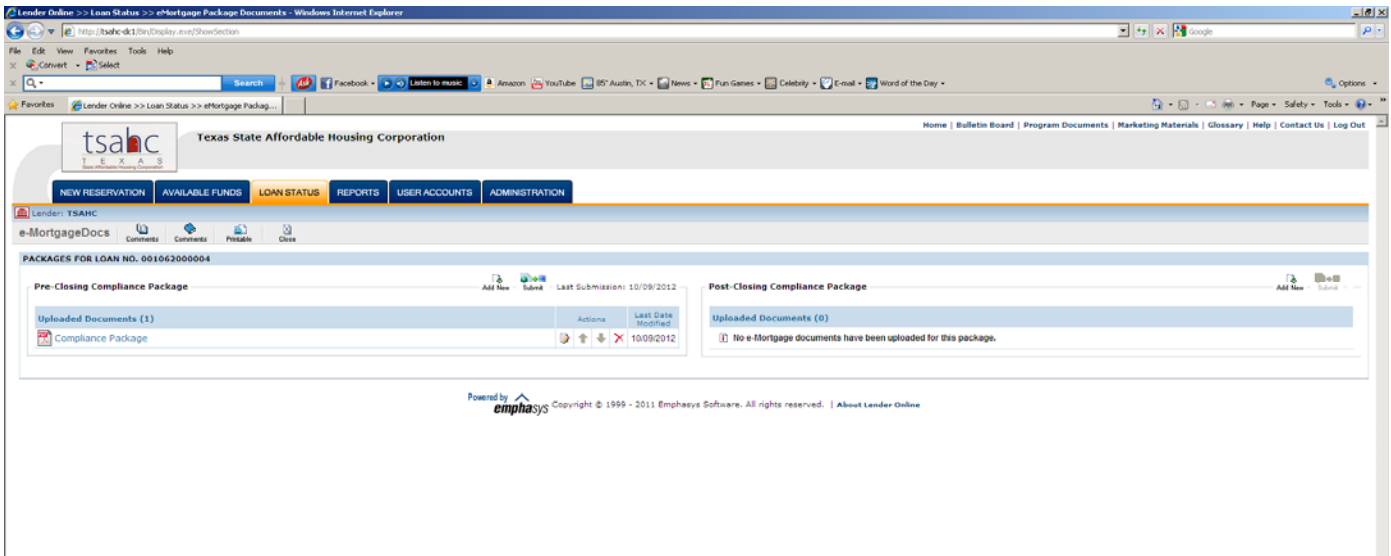
- c. Simply click the “eDocs” tab and follow the instructions to upload the required documents.
 - (i) Click the “Add New” button to upload a form and the following screen appears. Click the “Click Here” button to access your computer files and select the document you wish to upload.



- b. The next step is to name the document you are uploading. Choose an option from the drop-down list under “Select a document from the predefined list”. The drop-down will list all of the required documents for the applicable package. If you don’t see your document on the list, use the “Enter a customized document name” field to name the document you are uploading.

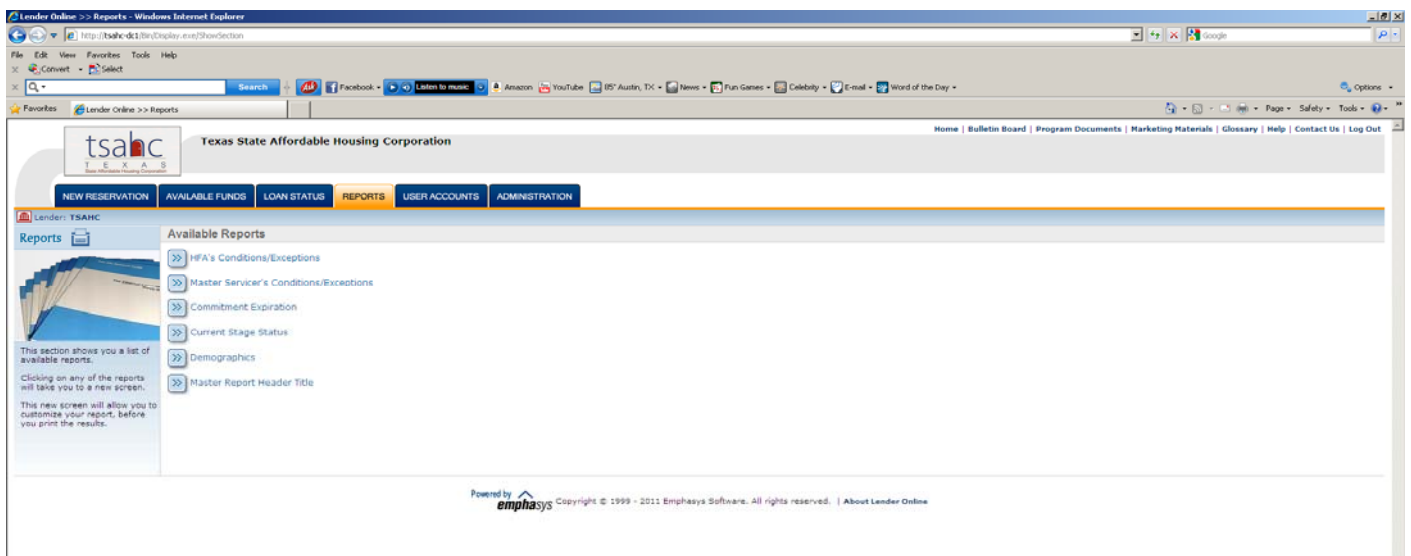


- c. Once all of the required documents (from the Pre-Closing Compliance Package Checklist or the Post-Closing Compliance Package Checklist) have been uploaded to the Lender Portal, click on the “Submit” button associated with the applicable package and TSAHC will be notified that your package(s) have been delivered.



7.7 Additional Lender Portal Functionality

- a. Reports. The Lender Portal offers six pre-defined reports to allow you to effectively manage your pipeline. Available reports include a “Master Servicer Conditions/Exceptions” report that will show you if any purchase conditions are outstanding with the Servicer. Information from the Servicer is uploaded to our system daily.



- b. User Accounts. Each Lender will choose one staff member to manage the company's access to the Lender Portal. This "Administrator" will determine who, within the company, will have access to the Lender Portal and will determine which level of access each employee will have. Access levels range from "read only" to "Administrator" with other levels between.

The screenshot shows the 'User Accounts' section of the Lender Online portal. The 'User Contact Details' form is displayed, featuring fields for personal information (Last Name, First Name, P.L., Suffix, Prefix, Title, Nickname, Gender, D.O.B., Phone No., Fax No., Email, Alt. Phone No., Home Phone No., Cell Phone No.) and system access (Active/Inactive, Access Level, Read Only, Contact). A dropdown menu for 'Access Level' is open, showing options like 'Contact Only', 'View Documents Only', 'View Reports Only', 'Clerk', 'Officer', 'Branch', 'HFA User Only', 'HFA Reservation Entry', 'System Administrator', and 'HRE Counseling Agency'. The 'SYSTEM LOGIN' section includes fields for 'Login Name', 'Password', and 'Retype Password', along with a checkbox for 'User must Change Password at Next Login'. A 'PASSWORD POLICY' section is also visible at the bottom.

- c. The tabs at the top right side of the Lender Portal provide all of the additional information vital to the successful origination of Mortgage Loans under the Homeownership Programs. The "Bulletin Board" provides timely Program updates including interest rate changes and other important Program information, while the Program Documents and Marketing Materials tabs include all of the forms and Guidelines associated with the Homeownership Programs.



SECTION 8 – PROGRAM FEES AND CHARGES

8.1 Program Fees

The following fees, which may be passed onto the borrower, will be charged by the Servicer and deducted from the Mortgage Loan Purchase Price:

- \$150 Funding Fee
- \$85 Tax Service Fee
- \$200 Compliance Review Fee

8.2 Mortgage Loan Purchase Price and Lender Compensation

Mortgage Loans originated under TSAHC's Homeownership Programs will be purchased by the Servicer.

- Total Lender compensation for Mortgage Loans originated under the TSAHC Homeownership Programs will be **2.5% for each FHA and USDA-RHS loan and 2.0% for each VA loan.**
- Lenders will collect and retain origination fees in the amount of 2.0% from the buyer or seller.
- Lenders will receive an additional .50% servicing release premium ("SRP") for FHA and USDA-RHS loans from the Servicer at loan purchase. The additional SRP will not be paid for VA loans due to pricing constraints.
- Lenders may collect all reasonable and customary fees and closing costs, provided all fees are fully disclosed in accordance with federal, state and local regulations. Ancillary fees collected may not exceed the amount collected on the Lenders' similar non-Program loans.

SECTION 9 – ADDITIONAL PROVISIONS

9.1 Cancellation and Commitment Expirations

The Lender is responsible for cancelling all Mortgage Loans subject to a reservation if the Mortgage Loan will not be delivered under the applicable Homeownership Program. Please note, should the Lender cancel a reservation, the Lender will be prohibited from making another reservation for that Borrower for a period of 90 days or unless otherwise authorized by the Program Administrator.

- a. In a case where the Borrower cancels or withdraws his or her application, the reservation of funds must be cancelled by contacting the Program Administrator.
- b. In a case where the Commitment expires, the Lender must request an extension using the Extension Request Form available through the Lender Portal, and provide the new estimated closing date.

In all cases, the expiration of the Commitment without the required action by the Lender may result in the Lender being placed on "Inactive Status," meaning the Lender may submit no new reservations until the problem is resolved. Failure to comply with this provision may result in the Lender's expulsion from the Program.

9.2 Delinquent Closing Documentation

If the Post-Closing Compliance Package is not submitted through the Lender Portal within ten (10) 10 days of loan Closing, the Program Administrator may contact the Lender to request the status of the Mortgage Loan. If the Lender fails to timely provide to the Program Administrator the required closing documentation, the corresponding reservation will automatically be considered delinquent and the reservation subject to cancellation. Such action may result in the Lender being suspended or terminated from the Program until the problem is remedied.

9.3 Penalties for Borrower Misrepresentation

Strict penalties may be imposed on any Borrower making a material misstatement, misrepresentation or fraudulent act on an application or other document submitted to obtain assistance from TSAHC. Further, any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application shall be subject to all applicable fines and penalties.

SECTION 10 – MODIFICATIONS

10.1 Changes in Current Income

Income eligibility is based upon the current Family Income of the borrower(s). The Commitment is issued based on verified Income as of the date the Commitment is issued.

Increases in Income from sources already reported (i.e., salary increase) will not affect the validity of a Commitment as long as the loan closes within 30 days from the time the Commitment was issued. If the loan does not close within 30 days, the Reaffirmation of Borrower form must be completed and uploaded to the Lender Portal.

If a borrower's income increases between the execution of the Program Affidavit and the Closing Date of the Mortgage Loan (and if more than thirty (30) calendar days has elapsed since execution of the Program Affidavit), and the Reaffirmation of Borrower cannot be executed due to the changes, the Lender must submit a corrected Program Affidavit through the Lender Portal for additional review. If the changes in income make the loan ineligible for purchase, the reservation will be cancelled by the Program Administrator.

10.2 Changes in Marital Status

If the Borrower gets married after issuance of the Commitment and prior to Closing, the Lender must notify the Program Administrator of the marriage. The Lender must recalculate the Borrower's Family Income to include the new spouse's Income if the spouse will be an obligor on the Mortgage Note. If the recalculated total Family Income exceeds the applicable Maximum Income Limit for the Program, the Borrower(s) are ineligible and the reservation will be cancelled.

10.3 Change in Purchase Price

If the Purchase Price of the applicable Residence increases so as to exceed the Maximum Purchase Price limit, the Commitment shall be revoked and the reservation cancelled. For a change in Purchase Price after the Commitment and prior to Closing which does not exceed the Maximum Purchase Price limit, the Lender will be required to submit a corrected Program Affidavit, re-executed by the Borrower, through the Lender Portal for additional review.

10.4 Changes in Property Address

If a Borrower has a pending reservation and changes the property he or she intends to purchase, the Lender must submit a new signed property sales agreement and a notice to the Program Administrator stating whether or not the mortgage amount has changed. If the change occurs after the Program Administrator issues the Commitment, the following documents should be revised and resubmitted through the Lender Portal to reflect the new property address and any change in mortgage amount:

- a. Copy of Program Affidavit (first page amended and initialed by the Borrower)
- b. Property sales contract (first and last pages and any counter offers)

10.5 Change in Loan Amount

Any change to the Mortgage Loan amount that occurs after the Commitment is issued, but before loan Closing, must be reported to the Program Administrator via phone or email. The Program Administrator will revise the Commitment with the new Mortgage Loan amount and notify the Lender when the revision is completed.

10.6 Lender's Obligation to Notify Program Administrator of Material Changes

The issuance of a Commitment is based (in part) upon the Program Affidavit and the Lender's certification that the Program requirements have been met. Commitments are issued subject to the condition that all Program requirements are or will be met prior to the Closing of a Mortgage Loan. Thus, the Lender must immediately notify the Program Administrator of any change in the circumstances upon which the Commitment was issued. If any change of circumstances occurs such that the Program requirements are not met, the Commitment will be revoked and the Mortgage Loan cancelled.

APPENDICES

APPENDIX A: DEFINITIONS

APPENDIX B: INCOME AND PURCHASE PRICE LIMITS

APPENDIX C: QUALIFIED CENSUS TRACTS

APPENDIX D: SAMPLE CHECKLISTS & FORMS

APPENDIX A: DEFINITIONS

“Act” means Subchapter Y of Chapter 2306, Texas Government Code, as amended.

“Agreement” means the Mortgage Origination Agreement dated as of January 1, 2013, entered into by and among the Lender and TSAHC, and all exhibits, amendments, or supplements hereto.

“Allied Health Program Faculty Member” means a full-time member of the faculty of an Undergraduate Allied Health Care Program or a Graduate Allied Health Care Program of a public or private institution of higher education in the State.

“Applicable Median Family Income” means the median gross income for the area (or statewide median gross income, if higher) in which such Residence is located, as published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 or as otherwise determined pursuant to said Section.

“Appraised Value” means the current assessed value of the Residence to be refinanced in the opinion of a qualified appraiser.

“Assignment of Mortgage Note and Mortgage” means the form acceptable to the Servicer completed and executed by the Lender, in recordable form, and pursuant to which a Lender assigns and delivers the related Mortgage and endorses the Mortgage Note to the Servicer in connection with the purchase of the related Mortgage Loan by the Servicer.

“Average Area Purchase Price” means with respect to a Residence, the safe harbor average area purchase price figures most recently published by the Department of the Treasury pursuant to section 143(e) of the Code for the statistical area (i.e., “metropolitan statistical area” as defined by the Secretary of Commerce, or county (or portion of a county) that is not within a metropolitan statistical area) in which such Residence is located, or such other average area purchase price figures that are approved by TSAHC.

“Business Day” means any day other than (i) a Saturday or Sunday (ii) a day on which banking institutions are closed in New York, New York, Texas, or the state or states in which the Servicer’s operation are located, or (iii) a day on which the New York Stock Exchange is closed.

“Buydown” means any reduction in the Mortgagor’s monthly Mortgage Loan payment required under the Mortgage Note by reason of the deposit of funds into an escrow or pledged account to be used to supplement the Mortgagor’s monthly payment. Buydowns shall only be permitted in connection with FHA Mortgage Loans unless otherwise permitted by TSAHC.

“Closing” means the execution of a Mortgage Note and Mortgage by an Eligible Borrower and the concurrent origination and funding of a Mortgage Loan by a Lender pursuant to Section 7 of this Agreement.

“Closing Date” means, with respect to a Closing, the date of such Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

“Commitment” means a written commitment by the Program Administrator to the Lender signifying that the Pre-Closing Compliance Package has been approved and the Borrower meets the preliminary eligibility criteria associated with the applicable Homeownership Program.

“Commitment Expiration Date” means the final date that the Mortgage Loan may be purchased by the Servicer (notwithstanding any applicable extension), which period is initially seventy (70) days from loan reservation (or such other period specified in the Program Guidelines).

“Compliance Commitment Letter” means the document provided to a Lender through the Lender Portal granting preliminary approval of the Pre-Closing Compliance Package submitted by the Lender prior to Closing.

“Compliance Package” means the documents as may be required by TSAHC with respect to a Mortgage Loan submitted to TSAHC.

“Compliance Review Fee” means the non-refundable fee in the amount set forth in the Program Guidelines (initially \$200.00) payable by the Lender to the Servicer for the compliance review of a Compliance Package.

“Condominium Development” means a real estate development: (i) formed pursuant to the condominium statutes of the State and a recorded declaration and other constituent documents; (ii) the unit owners of which have title to a unit in a development, and may have the right to the exclusive use of certain limited common areas; and (iii) the common areas of which are administered and maintained by, but not owned by, an owners association, which may levy assessments against each unit estate.

“Conventional Mortgage Loan” means a Mortgage Loan other than an FHA Mortgage Loan, a VA Mortgage Loan, or a USDA-RHS Mortgage Loan, in each case satisfying the requirements of Fannie Mae or Freddie Mac, as applicable.

“Corrections Officer” means (i) a full-time employee of the Texas Department of Criminal Justice who receives hazardous duty pay or (ii) a full-time employee of the Texas Juvenile Justice Department (successor to the Texas Youth Commission) who receives hazardous duty pay.

“County Jailer” has the meaning assigned by Section 1701.001 of the Texas Occupation Code.

“Debtor Relief Laws” means any applicable liquidation, conservatorship, bankruptcy, insolvency, rearrangement, moratorium, reorganization, or similar debtor relief laws affecting the rights of creditors generally from time to time in effect in the State or under the Laws of the United States of America.

“de minimus PUD” means: (i) a planned unit development that meets the definition of a “de minimus PUD,” as defined in the Fannie Mae Conventional Home Mortgage Selling Contract Supplement or any applicable Freddie Mac document; or (ii) a planned unit development (a) whose organizational or other relevant documents provide that the lien for any homeowner assessment or charge is subordinate to the lien of any purchase money mortgage, and (b) the maximum permissible annual homeowner assessments and/or charges with respect to the property being financed, as of the Closing Date of the Mortgage Loan, is no greater than the lesser of \$600.00 or 1% of the Sales Price.

“Discount Fee” means the discount fee, payable by the Mortgagor or the Seller, in an amount equal to 1% of the original principal amount of each Mortgage Loan.

“Down Payment Assistance” means a non-repayable grant in an amount equal to a percentage of the original principal amount of each Mortgage Loan, as specified by TSAHC from time to time, to assist in the payment of an Eligible Borrower’s down payment and closing costs related to such Mortgage Loan or reduction in principal of such Mortgage Loan.

“Eligible Borrower” means a person who meets the requirements of at least one of the following two categories at the time such person files an application for the related Mortgage Loan and is designated by the Corporation as an Eligible Borrower under the related Program Documents:

(i) “Texas Hero” Category. Under this category, a person qualifies under the Program if such person, at the time such person files an application for a Mortgage Loan, is a person:

(a) who is one of the following—

- (i) Professional Educator: a full-time classroom teacher, full-time paid teacher’s aide, full-time librarian, full-time school nurse, full-time counselor, Professional Nursing Program Faculty Member, or Allied Health Program Faculty Member;
- (ii) Veteran;
- (iii) Full-time Fire Fighter;
- (iv) Full-time Corrections Officer or Juvenile Corrections Officer;
- (v) Full-time County Jailer;
- (vi) Full-time Public Security Officer;
- (vii) Full-time Peace Officer; or
- (viii) Full-time Emergency Medical Service Personnel;

(b) who resides in the State of Texas;

(c) whose income does not exceed the Maximum Family Income limit;

(d) who intends to occupy the Residence to be financed with a Mortgage Loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan;

(e) who has not previously obtained a Commitment for a Mortgage Loan under the Program;
and

(f) the Purchase Price (or Appraised Value in a rate/term refinance transaction) of the related Residence does not exceed the Maximum Purchase Price limit.

(ii) Low Income Category. Under this category, a person qualifies under the Program if such person, at the time such person files an application for a Mortgage Loan, is a person:

(a) who resides in the State of Texas;

(b) whose Family Income does not exceed the applicable Maximum Family Income limit, which amount shall not be greater than 80% of Applicable Median Family Income without adjustment for family size;

(c) who intends to occupy the Residence to be financed with a Mortgage Loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the Closing of such Mortgage Loan;

(d) who has not previously obtained a Commitment for a Mortgage Loan under the Program;
and

(e) the Purchase Price (or Appraised Value in a rate/term refinance transaction) of the related Residence does not exceed the Maximum Purchase Price limit.

“Emergency Medical Services Personnel” has the meaning assigned by assigned by Section 773.003 of the Texas Health and Safety Code.

“Family Income” means, with respect to a Mortgagor, the “gross monthly income,” multiplied by twelve (12), of such Mortgagor and of any other Mortgagor who is expected to live in the Residence being financed and is an obligor on the Mortgage Note, all as determined in accordance with such Mortgagor’s Program Affidavit. For purposes of this definition, “gross monthly income” means the income used by the Lender’s underwriter (under applicable underwriting guidelines) to qualify the Mortgagor(s) for repayment of the Mortgage Loan.

“FHA” means the Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any successor thereto.

“FHA Insurance” means insurance on mortgage loans presently issued by FHA under the National Housing Act of 1934, as amended, pursuant to one of the following FHA Insurance programs:

(a) FHA Section 203(b), Home Unsubsidized;

(b) FHA Section 203(b)(2), Veterans Status; or

(c) FHA Section 234(c), Condominium Ownership; or

(d) FHA Section 203(h), Disaster Victims; or

(e) such other FHA insurance program or programs acceptable to TSAHC and the Servicer.

“FHA Mortgage Loan” means a Mortgage Loan that is insured by the FHA.

“Fire Fighter” means a member of a fire department who performs a function listed in Section 419.021(3)(C) of the Texas Government Code.

“Funding Fee” means the nonrefundable fee in the amount set forth in the Program Guidelines (initially \$150.00) payable by the Lender to the Servicer upon purchase of a Mortgage Loan.

“GNMA” or “Ginnie Mae” means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development or any successor agency, corporation, or other instrumentality of the government of the United States of America.

“GNMA Certificate” means a fully-modified, mortgage-backed certificate (whether issued as a “GNMA I” or a “GNMA II” Certificate) bearing interest at the applicable Pass-Through Rate, issued by the Servicer, registered in the name of the Trustee, guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder, maturing no later than December 1, 2041, and backed by FHA Insured Mortgage Loans or VA Guaranteed Mortgage Loans or USDA-RHS Mortgage Loans made by a Lender.

“GNMA Guaranty Agreement” means the one or more Guaranty Agreements between the Servicer and GNMA now or hereafter in effect pursuant to which GNMA has agreed or will agree to guarantee GNMA Certificates.

“GNMA Guide” means the GNMA Mortgage Backed Securities Guide, HUD Handbook 5500.3, in effect from time to time.

“Law” or “Laws” means all applicable statutes, laws, Acts, regulations, orders, writs, injunctions or decrees of the United States or any agency thereof, or any state or political subdivision thereof, or any court of competent jurisdiction thereof.

“Lender” means the mortgage lending institution executing this Agreement (and a Participating Lender Agreement with the Servicer) and any other applicable Program Document, which agrees to originate Mortgage Loans hereunder and thereunder and shell such Mortgage Loans and the servicing in connection therewith to the Servicer.

“Lender Guide” means the guide prepared by the Servicer for the Programs for the origination and delivery of Mortgage Loans to be purchased by the Servicer and the eligibility, credit and security underwriting standards applicable thereto, and for servicing of Mortgage Loans included in a Pool for a Certificate, as may be amended from time to time by the Servicer.

“Lender Portal” means the web-based Mortgage Loan reservation and compliance system administered by TSAHC and found at www.tsm-online.org.

“Maximum Purchase Price” means the applicable amounts specified in the Program Guidelines for Non-Targeted Areas and Targeted Areas.

“Maximum Family Income” means the applicable amounts set forth in the Program Guidelines. Such amounts shall be effective until the Lenders receive an announcement from TSAHC or the Servicer of revised Maximum Family Income limits. For Eligible Borrowers described under clause (III) of the definition of “Eligible Borrower”, the amounts set forth in the Program Guidelines, or any revised amounts, shall not exceed 80% of the Applicable Median Family Income, without any adjustment for family size.

“Mortgage” means the instrument, including the deed of trust, securing a Mortgage Loan that creates a first lien on a Residence subject to Permitted Encumbrances, and that shall be in form acceptable to FHA, VA, USDA-RHS or GNMA, as applicable.

“Mortgage File” means such documents as may be required by the Servicer or TSAHC with respect to a particular Mortgage Loan submitted to the Servicer for purchase.

“Mortgage Loan” means a qualified first lien mortgage loan originated by a Lender under the Program to an Eligible Borrower evidenced by a Mortgage Note and secured by a related Mortgage on a Residence located in the Program Area, satisfying the requirements of this Agreement and any other Program Document. Down Payment Assistance grants are not included in the meaning of “Mortgage Loan” or “Mortgage.”

“Mortgage Loan Purchase Price” means the price to be paid by the Servicer to a Lender for a Mortgage Loan, which shall be the percentage, of the unpaid principal balance of such Mortgage Loan as set forth in the [Rate Lock Notice], plus accrued interest to the date of purchase.

“Mortgage Loan Rate” means the applicable interest rate or rates on a Mortgage Loans.

“Mortgage Note” means the promissory note evidencing the obligation to repay a Mortgage Loan, which shall be in the form acceptable to FHA, VA, USDA-RHS, depending on whether the Mortgage Note evidences an FHA Mortgage Loan, a VA Mortgage Loan or a USDA-RHS Mortgage Loan, respectively, with such additions or modifications as may be required hereunder as approved by TSAHC and the Servicer and provided to the Lender by the Servicer.

“Mortgagor” means any person who has a Present Ownership Interest in the Residence and is the obligor(s) on a Mortgage Note, or a subsequent owner of a Residence who has assumed the Mortgage in accordance with this Agreement (but does not include a person who is liable on the Mortgage Note solely as a guarantor or cosigner, who does not have a Present Ownership Interest in the Residence).

“Non-Qualifying Mortgage Loan” means any Mortgage Loan which does not conform to the applicable Program, the Program Documents, the GNMA Guide and/or the GNMA Guaranty Agreement, including, but not limited to, the following examples:

(a) The Lender fails to deliver to the Servicer all documents of the Mortgage File (described in the Lender Guide) on a timely basis, or the Servicer determines that such documentation for Mortgage Loans do not conform to the requirements of the applicable Program;

(b) GNMA or the Servicer determines that the Mortgage Loan is not of acceptable quality or is not eligible for sale under the applicable Program or Program Document or the GNMA Guide.

“Non-Targeted Area” means that part of the Program Area that does not lie in the Targeted Areas.

“Non-Targeted Area Mortgage Loan” means a Mortgage Loan to provide financing for the acquisition of a Residence that is in a Non-Targeted Area.

“Notice Address” means:

As to TSAHC: Texas State Affordable Housing Corporation
2200 E. Martin Luther King Jr. Boulevard

Austin, Texas 78702
Attention: David Long
Telephone: (512) 477-3555

As to the Servicer: U.S. Bank National Association
17500 Rockside Road
Bedford, OH 44146-2099
Attention: Sheryl Krocek/Elmer Helbig
Telephone: (216) 475-7719/(216) 475-7685
Fax: (216) 475-8619
E-mail: sheryl.krocek@usbank.com
elmer.helbig@usbank.com

As to the Lender: At the address provided to TSAHC or the Servicer by the Lender.

"Origination Fee" means a fee in an amount equal to 1.00% of the unpaid principal amount of a Mortgage Loan, which amount may be collected and retained by the Lender in connection with each Mortgage Loan originated hereunder.

"Participating Lender Agreement" means the agreement entered into between the Servicer and the Lender as to the terms and conditions under which the Servicer will purchase a Mortgage Loan from the Lender.

"Pass-Through Rate" means the interest rate per annum accruing on a Certificate, which will equal the Mortgage Loan Rate of the Mortgage Loans backing the Certificate less the applicable servicing fee and the applicable guaranty fee.

"Peace Officer" has the meaning assigned by Section 1.07(a)(36) of the Texas Penal Code.

"Permitted Encumbrances" means those liens, covenants, conditions, restrictions, rights of way, easements, and other matters that are of public record as of the date of the recording of a Mortgage and that are permitted by FHA, VA, USDA-RHS, Fannie Mae or Freddie Mac, as applicable.

"Planned Unit Development" means a real estate development of separately owned lots, other than a de minimus PUD, with: (i) contiguous or noncontiguous areas or facilities normally owned by an owners association in which the owners of the lots have a stock or membership interest; (ii) title to the real estate under the dwelling units being held by the individual lot owners and not by the owners association; (iii) the association having title to and responsibility for the administering of the common areas, and levying monthly charges against the lot owners for common areas expenses; and (iv) membership in the owners association not being severed from the ownership of an individual unit.

"Pool" means with respect to a Certificate, the pool of Mortgage Loans the beneficial ownership of which is represented by such Certificate, as described in the schedule of pooled mortgages pertaining to such Certificate.

"Post-Closing Compliance Package" means the compliance package submitted to TSAHC after Closing for final review of the eligibility criteria established for the applicable Program.

"Pre-Closing Compliance Package" means the compliance package submitted to TSAHC prior to loan Closing for preliminary review of the eligibility criteria established for the applicable Program.

“Principal Residence” means a Residence (or the unit in a two (2) to four (4) family Residence) that can reasonably be expected to be occupied by the Mortgagor as the principal Residence of the Mortgagor. The term *“Principal Residence”* does not include a home used as an investment property or as a recreational home, factory made housing or a home that is primarily intended to be used in a trade or business, as evidenced by the use of more than 15% of the total area in a trade or business. Any use of a home that does not qualify for a deduction allowable for certain expenses incurred in connection with the business use of a home under section 280A of the Code shall not be considered as a use in a trade or business.

“Professional Educator” means a full-time classroom teacher, full-time paid teacher’s aide, full-time librarian, full-time school nurse, or full-time counselor, as certified under Subchapter B, Chapter 21 of the Texas Education Code, as amended, a Professional Nursing Program Faculty Member, an Allied Health Program Faculty Member or such other person deemed to be a “professional educator” pursuant to the Act.

“Professional Nursing Program Faculty Member” means a full-time member of the faculty of either an Undergraduate Professional Nursing Program or a Graduate Professional Nursing Program.

“Program” means the TSAHC Homes for Texas Heroes Program Home Loan Program or the Homes Sweet Texas Home Loan Program, as applicable.

“Program Affidavit” means an affidavit in the form attached to the Program, which is to be executed by the Mortgagor and the Lender in connection with each Mortgage Loan purchased by the Servicer hereunder.

“Program Area” means the geographical area within the State.

“Program Documents” means this Agreement, the Program Guidelines, the Participating Lender Agreement, the Lender Guide and any other document, instrument, certificate or other writing relating to the Programs.

“Program Guidelines” means these guidelines established by TSAHC in this Agreement for the origination of Mortgage Loans to be purchased by the Servicer and the eligibility, credit, and security underwriting standards applicable thereto, as may be amended from time to time.

“Public Security Officer” has the meaning assigned by Section 1701.001 of the Texas Occupations Code.

“Purchase” means the purchase of a Mortgage Loan by the Servicer from a Lender on a Purchase Date pursuant to Section 9 of this Agreement.

“Purchase Date” means the date of any Purchase of a Mortgage Loan by the Servicer.

“Purchase Price” means the cost to a Mortgagor of acquiring a Residence from the Seller as a completed residential unit indicated in the contract of sale entered into between the Mortgagor(s) and the Seller(s).

“Qualified Insurer” means any insurance company that is approved by FHA, VA, USDA-RHS, as applicable, to provide insurance on single family residences in the State.

“Residence” means real property and improvements permanently affixed thereon (but does not include property not constituting “fixtures” under State law) (i) that is located within the Program Area; (ii) that consists of a single family detached or attached structure consisting of not more than four (4) connected dwelling units intended for residential housing for one family or a single unit in a Condominium Development, Planned Unit

Development, or de minimus PUD, a single unit in a duplex, triplex, or fourplex, or an entire duplex, triplex, or fourplex to be financed, provided that one of the units will be occupied by the Mortgagor or a single unit in a duplex (but not including a mobile home or any personal property); and (iii) the Purchase Price of which does not exceed the Maximum Purchase Price; provided, however, that land appurtenant to a Residence shall be considered as part of such Residence only if such land reasonably maintains the basic liability of such Residence and does not provide, other than incidentally, a source of income to the Mortgagor. No portion of a Residence shall consist of a health club facility, a facility primarily used for gambling, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises.

"Seller" means, with respect to a Mortgage Loan, the seller of the Residence being financed with such Mortgage Loan.

"Servicer" means U.S. Bank National Association, or any successor to its duties hereunder, and any additional Servicer appointed under Section 2 of this Agreement.

"State" means the State of Texas.

"Targeted Area" means that part of the Program Area that has been or may be designated from time to time as a qualified census tract or an area of chronic economic distress in accordance with section 143(j) of the Code. The Targeted Areas shall be set forth in the Program Guidelines and are subject to change with the approval of TSAHC.

"Tax Service Fee" means the nonrefundable tax service fee in the amount set forth in the Program Guidelines (initially \$85.00) payable by each Lender to the Servicer upon purchase of a Mortgage Loan.

"Title Policy" means a mortgagee guaranty title insurance policy with respect to a Mortgage Loan in form approved by the State of Texas Department of Insurance in an amount equal to the original principal amount of the Mortgage Loan, issued as of the Closing Date of such Mortgage Loan, and insuring the Lender and its successors and assigns.

"Undergraduate Allied Health Care Program" means an undergraduate degree or certificate program that (i) prepares students for licensure, certification or registration in an allied health care profession; and (ii) is accredited an accrediting entity recognized by the United States Department of Education.

"Undergraduate Professional Nursing Program" has the meaning assigned by Section 54.221 of the Texas Education Code.

"USDA-RHS" means the Rural Housing Service of the United States Department of Agriculture, its successors and assigns.

"USDA-RHS Guaranty" means a guaranty of a Mortgage Loan pursuant to the USDA-RHS Single Family Housing Guaranteed Loan Program.

"USDA-RHS Mortgage Loan" means a Mortgage Loan guaranteed by the USDA-RHS.

"VA" means the Veterans Administration, an agency of the United States of America.

"VA Guaranty" means a guaranty of a Mortgage Loan by VA pursuant to the provisions of the Servicemen's Readjustment Act of 1944, as amended.

"VA Mortgage Loan" means a Mortgage Loan guaranteed by VA in accordance with the provisions hereof and under the Servicemen's Readjustment Act of 1944, as amended.

"Veteran" means a person who:

(A)(i) served not less than 90 days, unless sooner discharged by reason of a service-connected disability, on active duty in the Army, Navy, Air Force, Coast Guard, United States Public Health Service (as constituted under 42 U.S.C. Section 201 et seq.), or Marine Corps of the United States after September 16, 1940, and who on the date of filing an application under the program has not been dishonorably discharged from the branch of the service in which the person served;

(ii) has at least 20 years of active or reserve military service as computed when determining the person's eligibility to receive retired pay under applicable federal law;

(iii) has enlisted or received an appointment in the Texas National Guard, who has completed all initial active duty training required as a condition of the enlistment or appointment, and who on the date of filing the person's application has not been dishonorably discharged from the Texas National Guard; or

(iv) served in the armed forces of the Republic of Vietnam between February 28, 1961, and May 7, 1975, if the board adopts a rule regarding these veterans under Subsection (b);

(B) at the time of the person's enlistment, induction, commissioning, appointment, or drafting was a bona fide resident of this state or has resided in this state at least one year immediately before the date of filing an application under this chapter; and

(C) at the time of the person's application under this chapter is a bona fide resident of this state. The term includes the unmarried surviving spouse of a veteran who died or who is identified as missing in action if the deceased or missing veteran meets the requirements of this section, with the exception that the deceased or missing veteran need not have served 90 days under Paragraph (A)(i) of this subdivision, and if the deceased or missing veteran was a bona fide resident of this state at the time of enlistment, induction, commissioning, appointment, or drafting.

APPENDIX B: INCOME & PURCHASE PRICE LIMITS

HOMEOWNERSHIP PROGRAMS INCOME** AND PURCHASE PRICE* LIMITS									
Area of State	Counties in Area	Not Profession Specific: Home Sweet Texas Borrower		Profession Specific: Texas Hero Borrower			Purchase Price Limits for Any Borrower		
		All Areas		Non-Targeted Areas		Targeted Areas***	Non-Targeted Areas	Targeted Areas***	
		Any Family Size		1 or 2 Persons	3 or More Persons				
Amarillo MSA	Armstrong, Carson, Potter & Randall	\$49,440		\$61,800	\$71,070	\$74,160	\$85,520	\$250,200	\$305,800
Atascosa County HMFA	Atascosa	\$48,080		\$60,100	\$69,115	\$72,120	\$84,140	\$306,923	\$375,129
Austin County HMFA	Austin	\$53,440		\$66,800	\$76,820	\$80,160	\$93,520	\$251,584	\$307,492
Austin-Round Rock MSA	Bastrop, Caldwell, Hays, Travis, & Williamson	\$58,560		\$73,200	\$84,180	\$87,840	\$102,480	\$266,539	\$325,769
Blanco County	Blanco	\$53,600		\$67,000	\$77,050	\$80,400	\$93,800	\$250,200	\$305,800
Brazoria County HMFA	Brazoria	\$62,960		\$78,700	\$90,505	\$94,440	\$110,180	\$251,584	\$307,492
Burnet County	Burnet	\$49,360		\$61,700	\$70,955	\$74,040	\$86,380	\$250,200	\$305,800
Cooke County	Cooke	\$49,040		\$61,300	\$70,495	\$73,560	\$85,820	\$250,200	\$305,800
Dallas HMFA	Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, & Rockwall	\$54,000		\$67,500	\$77,625	\$81,000	\$94,500	\$250,200	\$305,800
Fort Worth-Arlington HMFA	Johnson, Parker, & Tarrant	\$52,640		\$65,800	\$75,670	\$78,960	\$92,120	\$250,200	\$305,800
Gillespie County	Gillespie	\$53,360		\$66,700	\$76,705	\$80,040	\$93,380	\$250,200	\$305,800
Glasscock County	Glasscock	\$50,160		\$62,700	\$72,105	\$75,240	\$87,780	\$250,200	\$305,800
Hartley County	Hartley	\$60,240		\$75,300	\$86,595	\$90,360	\$105,420	\$250,200	\$305,800
Hemphill County	Hemphill	\$49,680		\$62,100	\$71,415	\$74,520	\$86,940	\$250,200	\$305,800
Hood County	Hood	\$55,840		\$69,800	\$80,270	\$83,760	\$97,720	\$250,200	\$305,800
Houston-Baytown-Sugarland HMFA	Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto & Waller	\$52,960		\$66,200	\$76,130	\$79,440	\$92,680	\$251,584	\$307,492
Jackson County	Jackson	\$49,600		\$62,000	\$71,300	\$74,400	\$86,800	\$250,200	\$305,800
Jeff Davis County	Jeff Davis	\$48,080		\$60,100	\$69,115	\$72,120	\$84,140	\$250,385	\$306,026
Kendall County HMFA	Kendall	\$68,720		\$85,900	\$98,785	\$103,080	\$120,260	\$306,923	\$375,129
Lee County	Lee	\$49,600		\$62,000	\$71,300	\$74,400	\$86,800	\$250,200	\$305,800
Loving County	Loving	\$62,960		\$78,700	\$90,505	\$94,440	\$110,180	\$250,200	\$305,800
Medina County HMFA	Medina	\$48,080		\$60,100	\$69,115	\$72,120	\$84,140	\$306,923	\$375,129
Midland MSA	Midland	\$52,080		\$65,100	\$74,865	\$78,120	\$91,140	\$250,200	\$305,800
Ochiltree County	Ochiltree	\$50,080		\$62,600	\$71,990	\$75,120	\$87,640	\$250,200	\$305,800
Roberts County	Roberts	\$53,920		\$67,400	\$77,510	\$80,880	\$94,360	\$250,200	\$305,800
San Antonio - New Braunfels HMFA	Bandera, Bexar, Comal, Guadalupe & Wilson	\$49,040		\$61,300	\$70,495	\$73,560	\$85,820	\$306,923	\$375,129
Sherman-Denison MSA	Grayson	\$49,360		\$61,700	\$70,955	\$74,040	\$86,380	\$250,200	\$305,800
Somervell County	Somervell	\$54,720		\$68,400	\$78,660	\$82,080	\$95,760	\$250,200	\$305,800
Tyler MSA	Smith	\$49,280		\$61,600	\$70,840	\$73,920	\$86,240	\$250,200	\$305,800
Wise County HMFA	Wise	\$54,160		\$67,700	\$77,855	\$81,240	\$94,780	\$250,200	\$305,800
Balance of State	All remaining Counties not listed above	\$48,080		\$60,100	\$69,115	\$72,120	\$84,140	\$250,200	\$305,800

*Purchase Price Limits effective June 13, 2013.

**Income Limits effective January 1, 2013.

***Targeted Areas are economically distressed areas of the state.

*MSA - Metropolitan Statistical Area

**HMFA - HUD Metro FMR Area

APPENDIX C: QUALIFIED CENSUS TRACTS

Bee County	950500			
Bell County	020702	020900	022600	022801
	022900	023500		
Bexar County	110200	110500	110600	110700
	110800	110900	111000	130100
	130300	130500	130600	130700
	141000	150300	150800	160100
	160900	170101	170102	170200
	170300	170401	170900	171000
	171200	181003	191004	
Bowie County	010500	010600		
Brazos County	001400			
Brewster County	950400			
Brooks County	950200			
Brown County	950600	950700		
Cameron County	010500	010900	011000	011100
	011600	011700	011903	012200
	012303	012304	012507	012604
	012609	012610	012700	013203
	013207	013208	013305	013306
	013307	013308	013309	013401
	013402	013700	013801	013802
	013901	013902	013903	014001
	014002			
Cherokee County	950400	950500	950700	
Dallas County	000405	001503	002000	002701
	002702	002900	003400	003500
	003800	003901	003902	004000
	004100	004800	007201	007202
	008603	008604	008703	008704
	008900	009304	009804	010200
	010400	011401	011500	012208
	019013	019209		

APPENDIX C: TARGETED AREA CENSUS TRACTS (Continued)				
Dimmit County	950100			
Ector County	950700	001100	001200	001500
	001800	001900	002000	
El Paso County	000301	000302	000404	000800
	000900	001203	001400	001600
	001700	001800	001900	002000
	002100	002201	002202	002600
	002800	002900	003000	003200
	003602	003701	003702	003901
	003903	004105	010102	010208
	010309	010319	010403	010404
	010501	010502	010503	010504
Falls County	990400			
Frio County	950300			
Gray County	950600	950800		
Gregg County	001400			
Grimes County	180104			
Hale County	950200			
Hidalgo County	020100	024600	020501	020503
	020600	020723	021100	021301
	021302	021303	021500	021600
	021801	021802	021901	021902
	022002	022101	022102	022202
	022501	022502	022600	022702
	022800	023000	023101	023102
	023503	023506	023508	023700
	024101	024102	024103	024104
	024105	024201	024202	024301
	024302	024401	024402	024500
Hill County	960900	961000		
Hockley County	950400			
Howard County	950300			
Hudspeth County	950100			

APPENDIX C: TARGETED AREA CENSUS TRACTS (Continued)

Jim Wells County	950500			
Kleberg County	020200			
Lamar County	000600			
Lamb County	950500			
La Salle County	950100	950200		
Limestone County	970400			
Lubbock County	000202	000301	000500	000603
	000605	000607	001000	001200
	002400			
McLennan County	000400	000598	001100	001200
	001400	001500	001900	003300
Maverick County	950100	950201	950202	950203
	950500	950601	950602	
Midland County	000900	001400	001600	001700
Nolan County	950300			
Nueces County	000400	000500	000900	001000
	001100	001200	001300	001500
	001601	005602		
Potter County	010600	012000	012200	012800
	013000	014600	014800	
Presidio County	950200			
Reeves County	950100	950200	950300	950500
Smith County	000202	000300	000400	000700
Starr County	950102	950103	950201	950202
	950400	950500	950600	950701
	950702			
Tarrant County	100300	101000	101100	101600
	101700	102500	103100	103500
	103601	103701	103800	103900
	104000	104604	106516	122200

APPENDIX C: TARGETED AREA CENSUS TRACTS (Continued)				
Taylor County	010700	010800	011700	011900
Terry County	950300			
Titus County	950600	950700		
Tom Green County	000500	000700	000900	
Travis County	000604	000802	000804	001000
	002311	002316		
Val Verde County	950601	950602		
Webb County	000103	000104	000300	000400
	000500	000600	000700	000902
	001002	001200	001300	001801
	001804	001805		
Wharton County	740300			
Wichita County	010100	010400	011100	011300
Willacy County	950300	950700		
Zapata County	950200			
Zavala County	950100	950200	950301	950302

APPENDIX D: SAMPLE CHECKLISTS AND FORMS

Form 1 – PRE-CLOSING COMPLIANCE PACKAGE CHECKLIST

Form 2 – PROGRAM AFFIDAVIT

Form 3 – NOTICE OF DOWN PAYMENT ASSISTANCE GRANT

Form 4 – POST-CLOSING COMPLIANCE PACKAGE CHECKLIST

Form 5 – REAFFIRMATION OF BORROWER

Form 6 – UNDERWRITER’S CERTIFICATION

Form 7 – EXTENSION REQUEST FORM

Form 8 – COMMITMENT LETTER

Form 9 – FUNDING REQUEST FORM



FORM 1
PRE-CLOSING COMPLIANCE PACKAGE CHECKLIST – HOMEOWNERSHIP PROGRAMS

BORROWER INFORMATION

TSAHC Loan Number	
Borrower Name	
Property Address	
Loan Amount	\$

LENDER CONTACT INFORMATION

Lender	
Contact Name	
Phone Number	
Email	

This Pre-Closing Compliance Package contains:

1. **This Checklist**
2. **Program Affidavit**
 - a. Review to ensure all information is complete and correct.
 - b. Affidavit must be signed and dated by all Borrowers.
 - c. Affidavit must be signed and dated by Lender.
3. Copy of initial **Loan Application (1003)**
4. Copy of **Purchase Contract** executed by Borrower and Seller. Please include any counter-offers.
(Only applicable for purchase transactions.)

****The original, executed Notice of Assistance Grant and Wire Request forms should be included in the closed loan package when submitted to the Servicer for loan purchase.****



FORM 2
PROGRAM AFFIDAVIT – HOMEOWNERSHIP PROGRAMS

The undersigned Mortgagor(s) hereby state under oath that:

(1) I am a purchaser and Mortgagor of the Residence which is a ☐ new ☐ existing Residence, or I am refinancing my current Residence which is located at _____ and is within the Eligible Loan Area.

(2) I will occupy such Residence as my Principal Residence within 60 days of Closing.

(3) The Purchase Price (or Appraised Value in a rate/term refinance transaction) of the Residence, excluding personal property but including fixtures, is _____ or less and does not exceed the applicable Maximum Purchase Price limit. The Purchase Price means the cost of acquiring the Residence excluding usual and customary settlement or closing costs.

(4) I am one of the following:

☐ Corrections Officer – a full-time employee of the Texas Department of Criminal Justice (TDCJ) who receives hazardous duty pay.

☐ County Jailer - a person employed full-time as a county jail guard under Section 85.005, Local Government Code.

☐ Emergency Medical Services Personnel – a full-time employee as assigned by Section 773.003, Health and Safety Code.

☐ Fire Fighter – a member of a fire department who performs a function listed in Section 419.021(3)(c), Government Code.

☐ Juvenile Corrections Officer – a full-time employee of the Texas Juvenile Justice Department (TJJD) who receives hazardous duty pay.

☐ Peace Officer - a person elected, employed, or appointed as a full-time peace officer under Article 2.12, Code of Criminal Procedure, Section 51.212 or 51.214, Education Code, or other law.

☐ Professional Educator – a full-time classroom teacher, full-time paid teacher’s aide, full-time librarian, full-time school nurse, or full-time counselor, as certified under Subchapter B, Chapter 21 of the Texas Education Code, a Professional Nursing Program Faculty Member, or an Allied Health Program Faculty Member.

☐ Public Security Officer - a person employed or appointed full-time as an armed security officer by this state or a political subdivision of this state. *The term does not include a security officer employed by*

a private security company that contracts with this state or a political subdivision of this state to provide security services for the entity.

☐ Veteran – as assigned by Section 161.001, Natural Resources Code.

(5) The residence ☐ is ☐ is not in a Targeted Area.

(6) I will not permit any person to assume my obligations under the mortgage (and related mortgage note) unless such person is approved by the Corporation in accordance with the requirements of the Corporation's Program.

(7) I do not expect to use the Residence or any part thereof in a trade or business. The land appurtenant to the Residence is only that amount of land which reasonably maintains the basic livability of the Residence and will not provide a source of income to the Mortgagor.

(8) I understand that Family Income means the current annualized qualifying income at the time of loan Closing, as stated on the final, executed Loan Application (1003), and represents the income calculated by the Lender's underwriter to qualify the Borrower(s) for repayment of the Mortgage Loan.

Under no circumstances will the income used for Program compliance (Family Income) be less than that used by the Lender when qualifying Mortgagors for repayment of their mortgage loan (i.e., income used to calculate qualifying ratios).

COMPUTATION OF TOTAL INCOME

Type of Income	Mortgagor	Co- Mortgagor	Other Co-Mortgagors	Total of 3 Columns to the Left
Total Annual Income	\$	\$	\$	\$

****This total cannot exceed the Maximum Family Income limit established for the Program.***

(9) The number of persons constituting my family who will reside in the Residence (together with any other persons who will reside in the Residence) is _____.

(10) I have not been required to seek financing for the purchase of the Residence through any particular Lender.

(11) The above information is being submitted for the purposes of establishing eligibility for the Program. Because the Lender has explained the Program to me, I am familiar with and understand the provisions of the Program. I (we) agree to submit such other evidence of income as may be reasonably required by the Lender including, but not limited to, pay stubs and copies of federal income tax returns. The statements and information set forth herein are made under penalty of perjury. I understand that perjury is a felony offense punishable by fine or imprisonment or both.

Date: _____

Mortgagor's Printed Name: _____

Mortgagor's Signature: _____

Mortgagor's Printed Name: _____

Mortgagor's Signature: _____

CERTIFICATION OF THE LENDER

The Lender certifies that it has (1) reviewed the foregoing Program Affidavit and found it to be true and correct; (2) has charged the Mortgagor(s) lender fees that are customary and reasonable and no more than what is charged by the Lender to other non-program buyers, except for a compliance fee of \$200.00 collected on behalf of the Program Administrator; and (3) after completion of all underwriting verifications, has approved the Mortgage Loan. The Lender hereby agrees that it will immediately forward to the Servicer all information which it may receive during the life of the Mortgage Loan which (1) may indicate that the Mortgagor(s) may have made a misrepresentation in applying or (2) may affect the Mortgagor's continued eligibility.

Date: _____

Mortgage Lender Name: _____

Authorized Lender Representative: _____

Title of Lender Representative: _____

Signature of Lender Representative: _____



FORM 3
NOTICE OF ASSISTANCE GRANT – HOMEOWNERSHIP PROGRAMS

Date: _____

To: _____

From: Texas State Affordable Housing Corporation

Subject: Notice of Down Payment/Closing Cost Assistance Grant

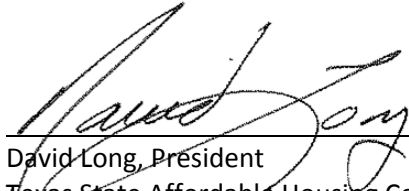
Please be advised that the Texas State Affordable Housing Corporation (TSAHC) is providing a down payment and/or closing cost assistance grant, with no repayment required, to be used as Minimum Cash Investment in conjunction with a TSAHC Homeownership Program as follows:

Borrower(s): _____

Loan Number: _____

Property Address: _____

Assistance Amount: _____



David Long, President
Texas State Affordable Housing Corporation

Borrower's Signature

Co-Borrower's Signature

Borrower's Printed Name

Co-Borrower's Printed Name



FORM 4
POST-CLOSING COMPLIANCE PACKAGE CHECKLIST – HOMEOWNERSHIP PROGRAMS

BORROWER INFORMATION

TSAHC Loan Number	
Borrower Name	
Property Address	
Loan Amount	\$

LENDER CONTACT INFORMATION

Lender	
Contact Name	
Phone Number	
Email	

This Homeownership Program Closing Package contains:

1. **This Checklist**
2. **Reaffirmation of Mortgagor**
 - a. Review to ensure all information is complete and correct.
 - b. Reaffirmation must be signed and dated by all Borrowers.
 - c. Reaffirmation must be notarized.
3. Final, executed **Loan Application (1003)**
4. Final, executed **HUD-1 Settlement Statement**
5. Copy of **Homebuyer Education Certificate**
6. Copy of the **Uniform Residential Appraisal Report** *(Only applicable for refinance transactions.)*



FORM 5
REAFFIRMATION OF MORTGAGOR – HOMEOWNERSHIP PROGRAMS
(To Be Executed at the Time of Closing)

STATE OF _____)
COUNTY OF _____) ss.

TSAHC Loan Number: _____
Property Address: _____

The undersigned (jointly and severally, the “Mortgagor”) being duly sworn according to Law, deposes and says under penalty of perjury:

I hereby reaffirm that the statements and information contained in the Program Affidavit which I executed on the _____ day of _____, 20____ were true, accurate and complete when made and remain true, accurate, complete and unchanged.

Mortgagor’s Signature

Mortgagor’s Signature

Mortgagor’s Printed Name

Mortgagor’s Printed Name

Before me on this day personally appeared the foregoing individual(s) known to me to be the person(s) whose true and genuine signature(s) were subscribed to the foregoing instrument in my presence.

[SEAL]

Notary Public

My Commission Expires:



FORM 6
UNDERWRITER'S CERTIFICATION – HOMEOWNERSHIP PROGRAMS

Borrower/Property Information

Program Name: _____

TSAHC Loan Number: _____

Lender Loan Number: _____

Borrower Name: _____ Co-Borrower Name: _____

Borrower Occupation: _____ Co-Borrower Occupation: _____

Property Address: _____

Loan Characteristics

Loan Amount: _____ Credit Score (Borrower): _____

Appraised Value: _____ Credit Score (Co-Borrower): _____

Interest Rate: _____ Mortgage Loan Term: _____

Qualifying Income (1003): _____ Loan Type: _____

Loan Purpose: _____

Compliance Criteria

Annual Household Income: _____ Household Size: _____

Targeted/Non-Targeted: _____ Census Tract: _____

Acquisition Cost (Purchase only): _____ First Time Buyer: _____

Certification

I have reviewed the Mortgage Loan file for the above referenced Borrower(s) and found the Mortgage Loan to be in compliance with the eligibility criteria outlined in the Program Guidelines. In addition, I have reviewed the Mortgage Loan file for the purposes of credit qualifying and confirm that the Borrower(s) are eligible for financing under the terms of the applicable Loan Type and that the Mortgage Loan conforms to Ginnie Mae, Fannie Mae or Freddie Mac guidelines.

Lender

Underwriter Name

Approval Date



FORM 7
EXTENSION REQUEST FORM – HOMEOWNERSHIP PROGRAMS

If approved, this form will be signed by the Program Administrator and delivered via email back to the referenced Lender Representative.

TSAHC Loan Number	
Lender Loan Number	
Borrower	
Property Address	
Initial Commitment Expiration	

LENDER REQUEST:

The Lender hereby requests a 30-day extension for the above referenced Mortgage Loan. The Extension Fee of \$375 will be deducted from the Mortgage Loan Purchase Price.

Lender

Name – Authorized Lender Representative

Lender Representative Email Address

PROGRAM ADMINISTRATOR APPROVAL:

As the Program Administrator, the Texas State Affordable Housing Corporation hereby grants a 30-day extension from the original commitment date for the above referenced Borrower. This extension expires on: _____ (To be completed by Program Administrator).

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Program Administrator

Name and Title

Signature



FORM 8
COMMITMENT LETTER – HOMEOWNERSHIP PROGRAMS

TSAHC Loan Number	
Lender Loan Number	
Commitment Expiration Date	
Lender Name	
Loan Amount	

TO THE ABOVE BORROWER AND LENDER:

A Program Affidavit and related documentation pursuant to a Texas State Affordable Housing Corporation's Homeownership Program (a "Program"), has been received by the Texas State Affordable Housing Corporation (the "Program Administrator") and reviewed for its compliance with the terms and conditions of the Program. The Program Administrator has determined that the Borrower has complied with the initial requirements of the Program.

Subject to completion of the remaining terms and conditions of the Program in conjunction with the applicable Program Guidelines, the Program Administrator will notify the Servicer that the referenced Borrower meets the eligibility criteria associated with the applicable Program and authorize the Servicer to purchase the referenced Mortgage Loan. To be eligible for purchase by the Servicer, the referenced Mortgage Loan must be current in principal and interest payments and must have satisfied all of the Servicer's outstanding conditions and requirements.

The terms of this Commitment Letter are governed by the Program Guidelines which is incorporated herein by reference as if fully set forth at length. THIS COMMITMENT WILL EXPIRE ON THE COMMITMENT EXPIRATION DATED INDICATED ABOVE, which is seventy (70) calendar days from the date the Mortgage Loan was initially reserved. If you require an extension, an Extension Request Form must be filed prior to the Commitment Expiration Date, or you may lose this Commitment.

PLEASE BE SURE to submit all required closing documents from the Post-Closing Compliance Package Checklist to the Program Administrator via the eDocs module of the Lender Portal at www.tsm-online.org within 10 days of the loan Closing Date.

Commitment Date: _____

Contact Name: Tim Almquist

Title: Single Family Compliance Manager

Signature: _____



FORM 9

FUNDING REQUEST FORM - Please email completed form to wire.request@tsahc.org

The Funding Request Form will not be processed, nor will funds be wired to the escrow/title agent, until TSAHC is in receipt of the final HUD-1 Settlement Statement. At that time, the information provided below will be verified. Funds will be wired per the instructions below on the scheduled closing date.

MORTGAGOR INFORMATION

	Primary Mortgagor	Co-Mortgagor
Name(s):		

LENDER INFORMATION

Company Name:	
Contact Name:	
Phone Number:	
Email:	

LOAN INFORMATION

Final Loan Amount: \$	Interest Rate: %	Term: Years	Final Sales Price: \$
Closing Date:	Loan Type:	Loan Purpose:	TSAHC Loan #:

HOMEOWNERSHIP PROGRAM FUNDS INFORMATION

Grant Funds Requested*: \$

*** The amount of down payment and closing cost assistance, for use as Minimum Cash Investment, provided by TSAHC under the Homeownership Programs is equal to either 3.0% or 5.0% of the final loan amount (note amount). Please verify which level of DPA is being requested.**

WIRING INFORMATION

Title Company:		Bank:	
Contact Name:		Bank's ABA #:	
Address:		Account #:	
Phone Number:		Account Name:	
General File #:			

For TSAHC Administrative Use Only:

Apply to Grant:	
Requested by:	Date: