MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
June 24, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, June 24, 2020 via telephone. The telephone number was made available to the public in the Notice of Meeting of the Board of Directors posted on the Secretary of State website, the Fund's website, and at the gate of the West Virginia Housing Development Fund. The Chair called the meeting to order at 9:06 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair
Norman Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture
David Gardner, Member
John Gianola, Member
Sam Kapourales, Member
Patrick Martin, Member
Bob Nistendirk, Member
Josh Stowers, Representative for the Honorable John Perdue, Treasurer

Members Absent:

Wendy McCuskey, Member
Steven Travis, Representative for the Honorable Patrick Morrisey, Attorney General

Staff present:

Erica Boggess, Executive Director
Josh Brown, Senior Manager – Asset Management
Cathy Colby, Senior Manager – HOME and HTF Programs
Julie Davis, Deputy Director – Production
George Gannon, Communications Administrator
Chad Leport, Division Manager – Accounting and Finance
Martha Lilly, Legal Assistant
Alicia Massie, Legal Counsel - Compliance
Kelley Ridling, Senior Manager – Internal Audit
Jon Rogers, Senior Division Manager – Single Family Lending
Lori Ryan, Executive Assistant
Nathan Testman, Division Manager – Multifamily Lending
Crystal Toney, Deputy Director – Administration
Michelle Wilshere, Senior Manager – Low Income Housing Tax Credit Program

Others Present:

Samme Gee, Jackson Kelly PLLC
Kelley Goes, Jackson Kelly PLLC

APPROVAL OF THE MINUTES OF MAY 27, 2020, MEETING

Member David Gardner moved the approval of the minutes of the May 27, 2020 meeting. His motion was seconded by Member Patrick Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED MAY 31, 2020

Chad Leport presented the financial statements for the period ended May 31, 2020. The financials were accepted as presented.

FY 2021 OPERATING BUDGET

Member John Gianola informed the Board that the Audit Committee approved the budget for further recommendation to the Board during the Audit Committee meeting prior to the Board meeting.

A brief discussion followed.

Member Gardner moved the approval of the Proposed Fiscal Year 2021 Operating Budget. His motion was seconded by Member Bob Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Fiscal Year 2021 Operating Budget is attached as Exhibit A.

FY 2021 PROGRAM FUNDING ALLOCATIONS

Member Gianola informed the Board that the Audit Committee approved the 2021 Funding Allocations for further recommendation to the Board during the Audit Committee meeting prior to the Board meeting.

Member Martin moved approval of Fiscal Year 2021 Funding Allocations as presented. His motion was seconded by Member Gardner and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Fiscal Year 2021 Funding Allocations is attached as Exhibit B.

FY 2021 PROJECTION OF REVENUES AND EXPENSES

Ms. Toney presented the Fiscal Year 2021 Projection of Revenues and Expenses and stated that the Projection is based on several factors, including anticipated production, historical revenues and expenses, and anticipated changes in those historical amounts.

Ms. Toney stated that the 2021 Projection of Revenues and Expenses projects net earnings of $10.5 million for the Fiscal Year ending June 20, 2021 and that 2021 net earnings are projected to decrease approximately $3.6 million. The decrease is primarily due to an increase in Affordable Housing Fund disbursements due to timing, an increase in the FY2021 operating budget as compared to FY2020 actual expenses, a decrease in investment earnings due to lower interest rates and lower cash balances and an increase in interest and debt expense due to an increase in outstanding debt and a decrease in bond redemptions.

A copy of the Fiscal Year 2021 Projection of Income and Expenses for the Fund is attached as Exhibit C.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION FOR CONDUIT FINANCING OF UP TO $10,750,000 FOR THE ACQUISITION AND REHABILITATION OF PARKLAND CHAPMANVILLE PRESERVATION, LLC

Julie Davis presented a request for approval of a Bond Inducement Resolution on behalf of Parkland Chapmanville Preservation, LLC. The proposed transaction will involve the acquisition and rehabilitation of two (2) properties: Parkland Place, a 133-unit affordable rental project for seniors, located in Wood County, and Chapmanville Towers, an 88-unit affordable residential rental project for seniors located in Boone County (together, the "Property"). The borrower for the transaction, Parkland Chapmanville Preservation, LLC, is in the process of applying for 4% tax credits. If awarded the credits, it will need tax exempt bond financing to fund a portion of the costs of the acquisition and rehabilitation of the project.

Ms. Davis explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Parkland Chapmanville Preservation, LLC, and the bond amount requested is not to exceed $10,750,000. The Fund, as the conduit issuer, will provide access to the tax-exempt bond market. Ms. Davis stated that the bonds will not be a general or moral obligation of the Fund, and the bonds are not a debt of the State. Any default by the borrower will not affect the Fund's ratings. The bonds will use bond volume cap and count against the Fund's maximum bonds outstanding limit of $1.25 billion, and Ms. Davis stated that the Fund has sufficient bond volume cap to meet this request. The Fund will earn a financing fee of $10,000, and all costs of issuance will be paid by the borrower.

Ms. Davis recommended the Board's approval of the Bond Inducement Resolution with Parkland Chapmanville Preservation, LLC. If approved, Ms. Davis stated that staff and the financing team will begin the preliminary steps of the financing transaction, and staff will return to the Board for approval of the final bond authorizing resolution before issuing the bonds.

Member Gardner moved approval of the Bond Inducement Resolution on behalf of Parkland Chapmanville Preservation, LLC for conduit financing of up to $10,750,000 for the acquisition and rehabilitation of Parkland Place and Chapmanville Towers. His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Bond Inducement Resolution is attached as Exhibit D.

ADOPTION OF FINAL PROCUREMENT RULES AND AUTHORIZATION TO COMPLETE FILING

Erica Boggess informed the Board that during the 2020 Legislative session, HB 4042 passed which requires that agencies exempt from State procurement requirements file procedural rules establishing purchasing procedures prior to September 1, 2020. The Board approved the proposed rules at the April 22, 2020 meeting, staff filed the proposed rules with the Secretary of State, and the 30-day public comment period ended on May 22, 2020. Ms. Boggess reported that the Fund did not receive any public comments.

Ms. Boggess stated that staff is requesting the Board's adoption of the procurement rules as final and the authority to take the necessary actions to finalize the rules as required by the Secretary of State. The procurement rules will become effective 30 days after filing.

Representative Norm Bailey moved the adoption of final procurement rules and authorization to complete filing. His motion was seconded by Member Martin, and upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY CONSTRUCTION LOAN OF UP TO $3,030,000 AND APPROVAL OF HOME LOAN OF UP TO $388,000 FOR DUNHILL APARTMENTS

Nathan Testman presented a loan request from Dunhill Apartments Limited Partnership to finance the rehabilitation of a thirty-two (32) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Huntington, West Virginia known as Dunhill Apartments.

Mr. Testman stated that the Project consists of four (4) two-story buildings. Eight (8) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-four (24) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is Buckeye Community Hope Foundation ("BCHF"). BCHF as a developer and/or general partner in project partnerships has been awarded competitive tax credits for over 75 rental communities (eleven projects in West Virginia) and staff has a high level of confidence in BCHF's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to $3,030,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Dunhill Apartments, the corporate guarantees of BCHF Huntington

Housing Partners, Inc. and Buckeye Community Hope Foundation, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Martin moved to approve the request for the Multifamily Construction Loan for the rehabilitation of Dunhill Apartments, as presented. His motion was seconded by Member Gianola, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to $388,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan will be deferred. The loan will be secured by a second lien deed of trust on the land and improvements known as Dunhill Apartments, the Borrower's operating and replacement reserves associated with the Project, and the corporate guarantees of BCHF Huntington Housing Partners, Inc., and Buckeye Community Hope Foundation during construction.

Member Martin moved to approve the request for the HOME loan for the rehabilitation of Dunhill Apartments, as presented. His motion was seconded by Member Gardner, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY AND LAND DEVELOPMENT CONSTRUCTION LOAN OF UP TO $5,140,000 AND APPROVAL OF MULTIFAMILY PERMANENT LOAN UP TO $950,000 FOR GLADE VIEW APARTMENTS

Mr. Testman presented a loan request from Glade View Apartments LLC ("Borrower") to finance the new construction of a thirty-three (33) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project to be located in Cowen, West Virginia known as Glade View Apartments.

Mr. Testman stated that the Project consists of four (4) two-story buildings. Nine (9) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and twenty-four (24) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is AU Associates, Inc. ("AU"). AU is a very experienced developer that has developed over 1,000 housing units, including numerous LIHTC projects in Kentucky and West Virginia. Staff has a high level of confidence in AU's ability to develop the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to $5,140,000, with interest at the rate of up to 4.75% or a variable equivalent rate with a floor, for a term of 24 months. The Multifamily Construction Loan will be secured by a first lien deed of trust on the land and improvements known as Glade View Apartments, the personal guarantee of Holly B. Wiedemann, Corporate guarantees of AU Associates, Inc. and AU Glade View GP, LLC, and Payment and Performance Bonds equal to 100% of the construction contract.

Member Martin moved to approve the request for the Multifamily Construction Loan for the new construction of Glade View Apartments, as presented. His motion was seconded by Representative Josh Stowers, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan in the amount of up to $950,000, with interest at the rate of up to 4.75%, for a term of 40 years. The loan will be secured by a first lien deed of trust on the land and improvements known as Glade View Apartments, the Borrower's operating and replacement reserves associated with the Project, and USDA 538 GRRHP Option 1 Permanent Loan Guarantee. Limited, non-recourse guarantees of the corporate owners may also be required.

Member Nistendirk moved to approve the request for the Multifamily Permanent loan for the new construction of Glade View Apartments, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY AND LAND DEVELOPMENT CONSTRUCTION LOAN OF UP TO $5,860,000; APPROVAL OF A MULTIFAMILY PERMANENT LOAN OF UP TO $765,000; AND APPROVAL OF A HOME LOAN OF UP TO $750,000 FOR HOBBS GREENE

Mr. Testman presented a loan request from Carnegie Greene 37 Limited Partnership ("Borrower") for new construction and permanent loan financing of a thirty-nine (39) unit Low-Income Housing Tax Credit Program ("LIHTCP") Project located in Wheeling, West Virginia known as Hobbs Greene.

Mr. Testman stated that the Project consists of one (1) building. Ten (10) units are designated for tenants with income at or below 50% of Area Median Income (AMI) and twenty-nine (29) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the Project is The Woda Group, Inc. ("Woda"). Woda is one of the largest affordable housing developers in the country, and has produced 40 LIHTC properties for a total of 1,690 units. Staff has a high level of confidence in the development team's ability to produce the proposed Project.

Mr. Testman stated that staff is requesting approval of a Multifamily Construction Loan in the amount of up to $5,860,000, with a variable interest rate of WSJP (currently 3.25%) with a floor of 3.5% or fixed rate equivalent, for a term of 24 months. The construction loan will be secured by a first lien deed of trust on the land and improvements known as Hobbs Greene, and the Corporate guarantees of Woda Construction, Inc. and Woda Cooper Companies, Inc.

Representative Bailey moved to approve the request for the Multifamily Construction Loan for the new construction of Hobbs Greene, as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of a Multifamily Permanent Loan financing of up to $765,000, with interest at the rate of up to 4.75%, for a term of 35 years with a 20-year balloon maturity. The loan will be secured by a first lien deed of trust on the land and improvements known as Hobbs Greene and by the Borrower's operating and replacement reserves associated with the Project. Limited, non-recourse guarantees of the corporate owners may also be required.

Representative Bailey moved to approve the request for the Multifamily Permanent loan for the new construction of Hobbs Greene. His motion was seconded by Member Kapourales, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Mr. Testman stated that staff is requesting approval of the HOME loan financing of up to $750,000, with interest at the rate of up to 1%, for a term of 20 years. Based on final underwriting, all or a portion of the HOME loan balance will be deferred. The loan will be secured by a second lien deed of trust on the land and improvements known as Hobbs Greene, the Borrower's operating and replacement reserves associated with the Project, and the corporate guarantees of Woda Construction, Inc. and Woda Cooper Companies, Inc.

Representative Bailey moved to approve the request for the HOME loan for the new construction of Hobbs Greene. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF FHLB CONTRACT – MORTGAGE PARTNERSHIP FINANCE PROGRAM

Jon Rogers informed the Board that the Fund's single-family mortgage business represents around 80% to 90% of the Fund's annual lending totals. The most impactful trend observed is the migration of a large portion of mortgages from private mortgage insurance to government insurance, namely Federal Housing Administration (FHA) mortgage insurance.

Mr. Rogers stated that staff met with the Federal Home Loan Bank (FHLB) of Pittsburg and learned that it purchases FHA-insured mortgages in a similar way to which the Fund sells loans to Fannie Mae. As with Fannie Mae, the Fund would continue to service all loans it sells to the FHLB. Staff believes this will become an important source of lending capital for the Fund by supplying a much-needed outlet for the Fund to sell loans when loan volume exceeds available recycled program cash.

Mr. Rogers stated that staff seeks the Board's adoption of the Participating Financial Institution Resolution and approval of all other documents and agreements that may be necessary and proper for the Fund to establish a relationship with the FHLB as a Participating Financial Institution in the Mortgage Partnership Finance Program.

Member Martin moved the adoption of the request to approve the Mortgage Partnership Finance Program as presented. His motion was seconded by Representative Nistendirk, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Board Resolution is attached as Exhibit E.

EXECUTIVE SESSION – TO DISCUSS LEGAL MATTERS PURSUANT TO W. VA CODE § 6-9A-4(b)(7)

The Board did not go into Executive Session.

ADJOURNMENT

There being no further business, Member Gardner moved to adjourn the meeting. His motion was seconded by Member Kapourales. Meeting adjourned at 9:55 a.m.

Martha Lilly

Martha Lilly, Assistant Secretary

EXHIBIT A

EXHIBIT I

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPOSED 2021 BUDGET
COMPARED TO 2020 BUDGET

	2021 PROPOSED BUDGET	2020 BUDGET	2021 PROPOSED BUDGET $ OVER / (UNDER) 2020 BUDGET	2021 PROPOSED BUDGET % OVER / (UNDER) 2020 BUDGET
Salaries	**$ 6,351,400**	**$ 6,322,900**	$ 28,500	0.45%
Benefits	**3,183,600**	**3,069,800**	113,800	3.71%
PERSONNEL SERVICES	**$ 9,535,000**	**$ 9,392,700**	$ 142,300	1.52%
Travel	**170,900**	**213,200**	(42,300)	(19.84%)
Professional Development	**150,500**	**149,900**	600	0.40%
Space Rental	**736,500**	**736,500**	-	0.00%
Office Supplies & Postage	**281,100**	**275,900**	5,200	1.88%
Furniture & Equipment	**53,200**	**53,400**	(200)	(0.37%)
Professional Services	**491,300**	**424,100**	67,200	15.85%
Advertising & Promotions	**471,000**	**559,900**	(88,900)	(15.88%)
Computer Operations	**858,700**	**888,700**	(30,000)	(3.38%)
Insurance & Miscellaneous	**117,800**	**117,000**	800	0.68%
NON-PERSONNEL EXPENSE	**$ 3,331,000**	**$ 3,418,600**	$ (87,600)	(2.56%)
TOTAL EXPENSES	**$ 12,866,000**	**$ 12,811,300**	$ 54,700	0.43%

E X H I B I T II

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPOSED 2021 BUDGET
COMPARISON OF 2021 PROPOSED BUDGET TO 2020 ESTIMATED EXPENSES AND 2020 ESTIMATED EXPENSES TO 2020 BUDGET

	2021 PROPOSED BUDGET	2020 ESTIMATED EXPENSES	2021 BUDGET OVER / (UNDER) 2020 ESTIMATED EXPENSES	2020 BUDGET	2020 ESTIMATED EXPENSES OVER / (UNDER) 2020 BUDGET
Salaries	$ 6,351,400	$ 6,042,000	$ 309,400	$ 6,322,900	$ (280,900)
Benefits	3,183,600	2,908,000	275,600	3,069,800	(161,800)
PERSONNEL SERVICES	$ 9,535,000	$ 8,950,000	$ 585,000	$ 9,392,700	$ (442,700)
Travel	170,900	106,000	64,900	213,200	(107,200)
Professional Development	150,500	111,000	39,500	149,900	(38,900)
Space Rental	736,500	734,000	2,500	736,500	(2,500)
Office Supplies & Postage	281,100	256,000	25,100	275,900	(19,900)
Furniture & Equipment	53,200	48,000	5,200	53,400	(5,400)
Professional Services	491,300	592,000	(100,700)	424,100	167,900
Advertising & Promotions	471,000	524,000	(53,000)	559,900	(35,900)
Computer & Telephone Operations	858,700	880,000	(21,300)	888,700	(8,700)
Insurance & Miscellaneous	117,800	116,000	1,800	117,000	(1,000)
NON-PERSONNEL EXPENSE	$ 3,331,000	$ 3,367,000	$ (36,000)	$ 3,418,600	$ (51,600)
TOTAL EXPENSES	$ 12,866,000	$ 12,317,000	$ 549,000	$ 12,811,300	$ (494,300)

% 2021 BUDGET OVER 2020 ESTIMATED EXPENSES	*4.46%*
% 2020 ESTIMATED EXPENSES UNDER 2020 BUDGET	*(3.86%)*

E X H I B I T III

WEST VIRGINIA HOUSING DEVELOPMENT FUND
EXPENSE SUMMARY AND PROPOSED 2021 BUDGET COMPARISON
YEARS ENDED JUNE 30, 2015-2021

	2021 PROPOSED BUDGET	*2020 ESTIMATED EXPENSES*	*2019 ACTUAL EXPENSES*	*2018 ACTUAL EXPENSES*	*2017 ACTUAL EXPENSES*	*2016 ACTUAL EXPENSES*	*2015 ACTUAL EXPENSES*
TOTAL PERSONNEL SERVICES	$ 9,535,000	$ 8,950,000	$ 8,040,238	$ 7,948,818	$ 8,247,084	$ 8,214,969	$ 8,612,470
TOTAL NON-PERSONNEL EXPENSES	3,331,000	3,367,000	3,222,829	3,193,629	3,189,844	3,253,962	2,891,736
TOTAL OPERATING EXPENSES	$ 12,866,000	$ 12,317,000	$ 11,263,067	$ 11,142,447	$ 11,436,928	$ 11,468,931	$ 11,504,206
TOTAL RESTATED FOR INFLATION	$ 12,866,000	$ 12,317,000	$ 11,525,734	$ 11,717,757	$ 12,255,664	$ 12,428,234	$ 12,441,587

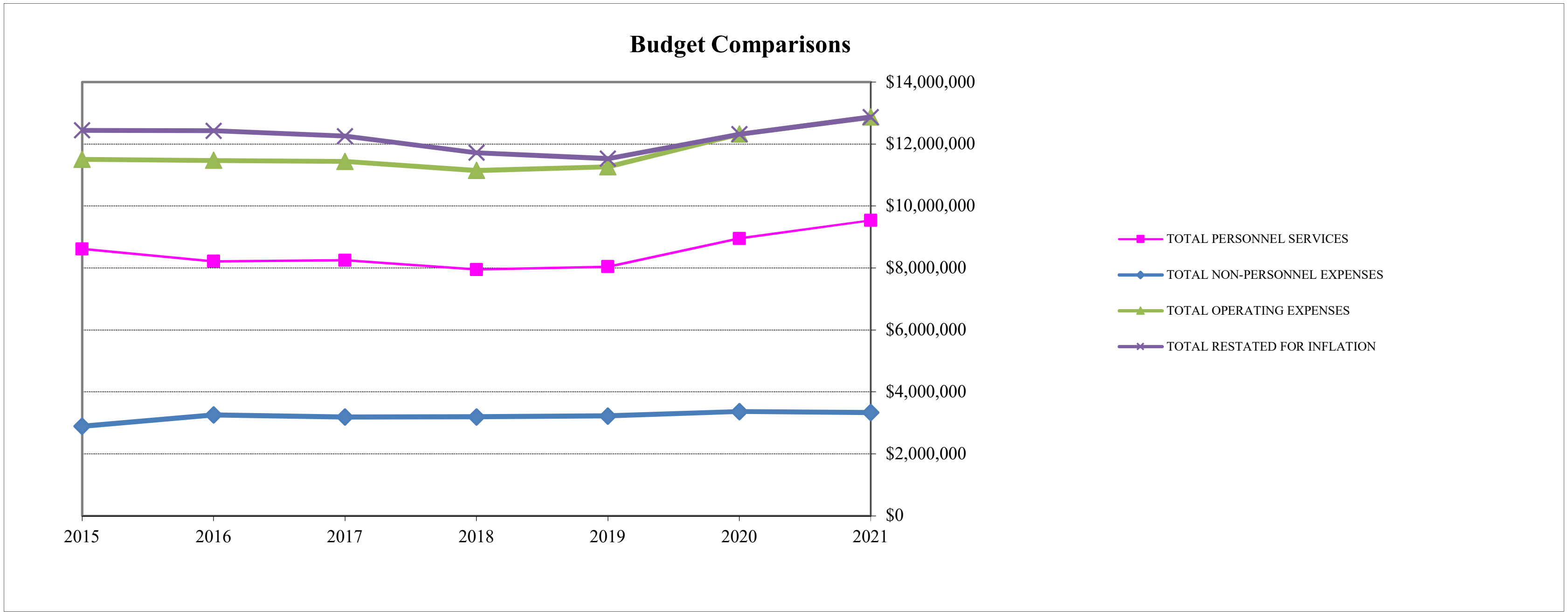

EXHIBIT B

WEST VIRGINIA HOUSING DEVELOPMENT FUND
RECOMMENDED PROGRAM FUNDING ALLOCATIONS
FISCAL YEAR ENDING JUNE 30, 2021

	Program Funds Available	Recommended Interfund Program Transfers	Federal, Debt and Other Funding Sources	Uses of Funds: Outstanding Commitments/ Pipeline	Uses of Funds: FY 2021 New Activity	Uses of Funds: Total Projected Disbursements	Estimated Uncommitted Funds Remaining	
Board Approved Funding Allocations								
Home Ownership Assistance	$ 4,979,748	$ -	$ -	$ -	$ 2,973,600	$ 2,973,600	$ 2,006,148	
Multifamily Lending Program	27,773,654	20,000,000	11,245,000	30,114,221	28,855,409	58,969,630	49,024	(1)
New Construction Loan Program	1,265	(1,265)		-	-	-	(0)	
Special Assistance Lending Program	132,234	200,000		329,598	-	329,598	2,636	
LAMP/Habitat Loans	813,230	(588,350)			160,000	160,000	64,880	
Disaster Trust (Flood)	860,385	(860,385)				-	(0)	
Secondary Market Program	(65,755)	100,000	23,550,000		23,550,000	23,550,000	34,245	(2)
Building Fund	3,552,845	(1,350,000)					2,202,845	
General Fund	824,869	1,000,000					1,824,869	
Total Unrestricted Funds	38,872,475	18,500,000	34,795,000	30,443,819	55,539,009	85,982,828	6,184,647	
Statutory/Restricted Programs								
Mortgage Revenue Bond Program (loan funds)	13,971,429		35,000,000		39,340,640	39,340,640	9,630,789	(3)
Movin' Up Program	45,046,739		-		28,344,970	28,344,970	16,701,769	(4)
HOME	12,158,834		5,110,143		3,594,990	3,594,990	13,673,987	
National Housing Trust Fund	6,121,000		2,700,000		1,450,000	1,450,000	7,371,000	
Affordable Housing Fund	5,990,752				2,042,875	2,042,875	3,947,877	
Land Development Program	1,784,191	3,900,000				197,180	5,487,011	
WV Property Rescue Initiative	4,409,008	(3,900,000)			197,180	-	509,008	(5)
Bond Insurance Fund	53,180,690	(20,000,000)				-	33,180,690	
FAF	339,796					-	339,796	
Flood - State Relocation Grant	140,363					-	140,363	
Flood - State Grants	844,530					-	844,530	
On-site Systems Loan Program	77,508		250,000		184,800	184,800	142,708	
Setaside - T&I Advances	(1,200,000)	1,500,000					300,000	
Total Restricted Funds	$ 142,864,839	$ (18,500,000)	$ 43,060,143	$ -	$ 75,155,455	$ 75,155,455	$ 92,269,527	
Total All Funds						$ 161,138,283		

(1) FY 2021 New Activity includes disbursements for anticipated new projects of $52,000,000 in construction loans and $5,000,000 in permanent loans. Construction draws will be funded from the Bond Insurance Fund, as necessary, which will be repaid upon completion of construction and from advances on a $20,000,000 line of credit that was approved by the Board 11/20/2019. In addition, a portion of the construction draws may be funded from the Land Development Program as permitted by the Act.

(2) Secondary Market loans are purchased with an internal warehouse line that revolves allowing us to re-use the money throughout the year to meet production goals.

(3) Funding source is one $35,000,000 bond issuance.

(4) Funding source is recycled bond funds. Funds will only be recycled to the extent not required to meet debt service payments.

(5) FY2020 was the final year for an allocation to the WVPRI Program per legislation. After the initial 5-year period, the WVHDF Board may determine how to adjust services or funding levels.

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Proposed 2021 Revenue and Expense Projection
Compared to 2020 Estimated Revenues and Expenses

EXHIBIT C

	2021 Projection	*2020 Estimated*	*2021 Projection $ Variance from 2020 Estimated*	*2021 Projection % Variance from 2020 Estimated*	*Explanation of fluctuations*
OPERATING REVENUES					
Interest on loans	**$ 31,006,209**	**$ 30,883,232**	**$ 122,977**	**0.40%**	Loan balances projected to be higher in FY2021
Fees:					
Section 8 management fees	1,813,738	1,789,269	24,469	1.37%	Section 8 fees are expected to increase in FY2021
Financing fees	967,242	743,224	224,018	30.14%	Multifamily financing fees expected to be higher due to a projected increase in loan production
Servicing fees	3,488,377	3,488,377	(0)	(0.00%)	Servicing fees based on FY2020 estimated fees
AHF Consumer Fees	940,033	940,033	0	0.00%	Consumer fees based on FY2020 estimated fees
Other fee income	1,451,313	1,397,176	54,137	3.87%	Increase primarily due to an increase in Low Income Housing Tax Credit Fees
Total Fees	**8,660,703**	**8,358,079**	**302,624**	**3.62%**	
Other Revenues:					
Gain on sale of mortgage loans	423,900	625,831	(201,931)	(32.27%)	Gains in the secondary market program are estimated to be lower in FY2021 due to lower production
Other	760,752	760,752	-	0.00%	Other revenues based on FY2020 estimated other revenues
Total Other Revenues:	**1,184,652**	**1,386,583**	**(201,931)**	**(14.56%)**	
OPERATING EXPENSES					
Program Expenses:					
Loan origination fees	1,253,767	1,663,782	(410,015)	(24.64%)	Decrease due to a projected decrease in production
Servicing expense	3,148,324	3,253,059	(104,735)	(3.22%)	Servicing expense is expected to be lower in FY2021
Servicing release fees	720,666	622,955	97,711	15.69%	Increase due to the rate in FY2020 lower than projected
Cost of issuance	470,700	849,966	(379,266)	(44.62%)	One bond issuance projected for FY2021, two issuances in FY2020
Special needs	329,598	211,912	117,686	55.54%	Increase due to timing of disbursements
Foreclosure expenses	2,200,000	1,832,720	367,280	20.04%	Foreclosure related expenses are expected to be higher in FY2021
AHF disbursements	2,042,875	816,924	1,225,951	150.07%	Increase due to timing of disbursements
Other	820,440	638,940	181,500	28.41%	Increase primarily due to an increase in WVPRI Technical Assistance disbursements, expenses related to the Section 8 contract renewal and maintenance expenses for the Fund's office building
Total Program Expenses	**10,986,370**	**9,890,258**	**1,096,112**	**11.08%**	
Salary and Benefits/Other Operating, net of reimbursements	**11,728,132**	**11,065,059**	**663,073**	**5.99%**	Fluctuation due to an increase in the FY2021 operating budget over FY2020 operating expenses
OPERATING INCOME	**18,137,062**	**19,672,577**	**(1,535,516)**	**(7.81%)**	
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on investments	**2,681,034**	**4,272,563**	**(1,591,529)**	(37.25%)	Decrease due to lower interest rates and lower cash balances
Interest and debt expense	**(10,308,200)**	**(9,809,432)**	**(498,768)**	5.08%	Increase in outstanding debt due to projected bond issuance, draws on the line of credit for multifamily lending and a decrease in bond redemptions
	(7,627,166)	**(5,536,869)**	**(2,090,297)**	**37.75%**	
NET INCOME per financial	**$ 10,509,896**	**$ 14,135,708**	**$ (3,625,812)**	**(25.65%)**	

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 1
Estimated Income and Expense Summary

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
MONTH	ESTIMATED FEE INCOME	ESTIMATED INVESTMENT INTEREST INCOME	ESTIMATED LOAN INTEREST INCOME	ESTIMATED OTHER REVENUES	ESTIMATED TOTAL INCOME	ESTIMATED INTEREST EXPENSE	ESTIMATED OPERATING EXPENSES NET OF REIM-BURSEMENTS	ESTIMATED PROGRAM EXPENSES	ESTIMATED TOTAL EXPENSES	ESTIMATED NET CASH EARNINGS	ESTIMATED NON-CASH EXPENSES	*ESTIMATED FINANCIAL EARNINGS
Jul-20	568,195	225,159	2,512,547	117,396	3,423,296	843,640	1,009,546	852,771	2,705,958	717,339	66,947	650,392
Aug-20	774,447	223,426	2,528,937	117,396	3,644,206	843,640	975,795	860,621	2,680,056	964,150	66,947	897,203
Sep-20	670,221	221,207	2,548,900	117,396	3,557,723	843,640	833,271	851,621	2,528,532	1,029,191	66,947	962,244
Oct-20	587,197	215,538	2,599,952	103,896	3,506,583	843,640	870,991	832,391	2,547,022	959,561	56,947	902,614
Nov-20	580,798	216,345	2,610,296	90,396	3,497,835	820,825	1,013,898	771,915	2,606,638	891,198	46,947	844,251
Dec-20	586,698	213,127	2,622,816	82,296	3,504,937	830,914	967,630	745,216	2,543,759	961,178	46,947	914,231
Jan-21	1,134,010	215,572	2,611,616	76,896	4,038,093	888,459	876,633	845,623	2,610,715	1,427,379	46,947	1,380,432
Feb-21	580,610	229,209	2,610,463	76,896	3,497,177	892,904	911,211	1,137,417	2,941,533	555,644	46,947	508,698
Mar-21	641,511	230,513	2,600,483	84,996	3,557,503	892,729	893,692	775,618	2,562,039	995,464	56,947	938,517
Apr-21	1,066,408	231,618	2,588,923	95,796	3,982,745	890,017	1,100,397	720,366	2,710,780	1,271,965	66,947	1,205,019
May-21	637,548	232,482	2,591,561	103,896	3,565,487	862,833	1,137,535	816,882	2,817,251	748,236	66,947	681,289
Jun-21	833,064	226,837	2,579,715	117,396	3,757,012	854,958	1,137,532	872,570	2,865,060	891,952	266,947	625,005
TOTALS	8,660,703	2,681,034	31,006,209	1,184,652	43,532,598	10,308,200	11,728,132	10,083,011	32,119,343	11,413,255	903,359	10,509,896

(1) From Exhibit # 2, Column (9)
(2) From Exhibit # 3, Column (12)
(3) From Exhibit # 4, Column (10)
(4) From Exhibit # 9, Column (6)
(5) Total of Columns (1) to (4)
(6) From Exhibit # 5, Column (11)
(7) From Exhibit # 6, Column (5)
(8) From Exhibit # 7, Column (11)
(9) Total of Columns (6) to (8)
(10) Column (5) minus Column (9)
(11) From Exhibit #7 Column (15)
(12) Column (10) minus Column (11)

*** GASB 31 not included in projection**

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 2
Projection of Estimated Fee Income

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
MONTH	**ESTIMATED SECTION 8 MANAGEMENT FEE INCOME**	**ESTIMATED MULTIFAMILY FEE INCOME**	**ESTIMATED ORIGINATION FEE INCOME**	**ESTIMATED LOW INCOME TAX CREDIT FEE INCOME**	**ESTIMATED HDF EARNED SERVICING INCOME**	**ESTIMATED AHF CONSUMER FEES**	**ESTIMATED MISC FEE INCOME**		**ESTIMATED TOTAL FEE INCOME**
Jul-20	0	152,036	36,207	7,500	290,698	78,336	3,418		568,195
Aug-20	148,122	187,066	36,207	0	290,698	78,336	34,018		774,447
Sep-20	184,396	38,166	36,207	0	290,698	78,336	42,418		670,221
Oct-20	148,122	666	31,957	0	290,698	78,336	37,418		587,197
Nov-20	148,122	667	28,957	0	290,698	78,336	34,018		580,798
Dec-20	148,122	667	26,457	0	290,698	78,336	42,418		586,698
Jan-21	148,122	667	25,957	552,812	290,698	78,336	37,418		1,134,010
Feb-21	148,122	667	25,957	2,812	290,698	78,336	34,018		580,610
Mar-21	148,122	50,667	28,457	2,813	290,698	78,336	42,418		641,511
Apr-21	148,122	50,667	31,207	429,960	290,698	78,336	37,418		1,066,408
May-21	148,122	50,667	35,707	0	290,698	78,336	34,018		637,548
Jun-21	296,244	50,667	40,701	0	290,698	78,336	76,418		833,064
TOTALS	1,813,738	583,270	383,972	995,897	3,488,377	940,033	455,416		8,660,703

(1) Fees earned for administering Section 8 Rental Assistance Program for HUD

(2) Fees paid by developers for financing provided under our Multifamily Lending and Affordable Housing Fund programs

(3) Fees earned on single family loan refinancing/underwiting/originations

(4) Fees paid by developers for projects in the Low Income Tax Credit Program and ongoing monitoring and asset management fees

(5) Fees/income earned for loans serviced by the Housing Development Fund

(6) Affordable Housing Fund consumer fees

(7) Fees received for Statewide foreclosure tracking and reporting and fees from HUD for Management Occupancy Reviews.

(8) Reserved

(9) Total of Columns (1) to (8). Posted to Exhibit #1, Column (1)

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Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 3
Projection of Estimated Investment Interest Income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	SHORT-TERM INVESTMENTS						LONG-TERM INVESTMENTS					
MONTH	ESTIMATED BEGINNING INVESTMENT BALANCE	ESTIMATED BOND SALES/ (REDEMPTIONS) LOC DRAWS/ (REPAYMENTS)	ESTIMATED LOAN PURCHASES	ESTIMATED OTHER	ESTIMATED ENDING INVESTMENT BALANCE	ESTIMATED SHORT-TERM INTEREST EARNINGS	ESTIMATED BEGINNING INVESTMENT BALANCE	ESTIMATED (MATURITIES)	ESTIMATED PURCHASES	ESTIMATED ENDING INVESTMENT BALANCE	ESTIMATED LONG-TERM INTEREST EARNINGS	ESTIMATED INVESTMENT INTEREST INCOME
Jul-20	137,557,676	0	10,864,135	6,610,662	133,304,203	57,316	44,758,230	0	0	44,758,230	167,843	225,159
Aug-20	133,304,203	0	11,855,825	6,857,486	128,305,863	55,582	44,758,230	0	0	44,758,230	167,843	223,426
Sep-20	128,305,863	0	21,602,006	8,323,646	115,027,503	53,363	44,758,230	0	0	44,758,230	167,843	221,207
Oct-20	115,027,503	2,920,000	9,109,697	6,852,922	115,690,728	47,694	44,758,230	0	0	44,758,230	167,843	215,538
Nov-20	115,690,728	(7,205,000)	9,838,571	6,784,571	105,431,728	48,502	44,758,230	0	0	44,758,230	167,843	216,345
Dec-20	105,431,728	(450,000)	8,604,570	12,654,564	109,031,721	45,284	44,758,230	0	0	44,758,230	167,843	213,127
Jan-21	109,031,721	37,540,000	7,988,642	9,490,778	148,073,857	47,729	44,758,230	0	0	44,758,230	167,843	215,572
Feb-21	148,073,857	(100,000)	7,515,166	10,799,056	151,257,747	61,365	44,758,230	0	0	44,758,230	167,843	229,209
Mar-21	151,257,747	(1,550,000)	8,286,972	12,538,888	153,959,663	62,670	44,758,230	0	0	44,758,230	167,843	230,513
Apr-21	153,959,663	1,750,000	9,411,472	9,740,402	156,038,593	63,775	44,758,230	0	0	44,758,230	167,843	231,618
May-21	156,038,593	(17,895,000)	11,384,152	15,737,686	142,497,127	64,639	44,758,230	(2,515,000)	2,515,000	44,758,230	167,843	232,482
Jun-21	142,497,127	4,870,000	13,512,432	6,785,415	140,640,110	58,994	44,758,230	0	0	44,758,230	167,843	226,837
TOTALS		19,880,000	129,973,640	113,176,074		666,914		(2,515,000)	2,515,000		2,014,120	2,681,034

Short-Term Investment Rate Used for Projection 0.5000%

Long-Term Investment Rate Used for Projection 4.5000%

(1) Balance of short term investments & equivalents at the start of the month
(2) From Exhibit # 5, Columns (2), (3), (7) and (8)
(3) Anticipated loan disbursements/purchases from Exhibit # 4, Columns (2) and (3)
(4) From Exhibit # 8, Column (10)
(5) Column (1) plus Column (2), minus Column (3), plus Column (4)
(6) Based on estimated short-term investment balances and the projected short-term investment rate shown above
(7) Balance of long-term investments at the start of the month
(8) Sales and maturities of long-term investments
(9) Purchases of long-term investments
(10) Column (7) plus Columns (8) and (9)
(11) Based on estimated long-term investment balances and the projected long-term investment rate shown above
(12) Column (6) plus Column (11). Posted to Exhibit #1, Column (2)

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 4
Projection of Estimated Loan Interest Income

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*
MONTH	**ESTIMATED BEGINNING LOAN BALANCE**	**ESTIMATED SINGLE FAMILY LOAN PURCHASES**	**ESTIMATED OTHER LOAN PURCHASES**		**ESTIMATED SINGLE FAMILY REPAYMENTS & PREPAYMENTS**	**ESTIMATED MULTIFAMILY REPAYMENTS & PREPAYMENTS**	**ESTIMATED ENDING LOAN BALANCE**	**ESTIMATED LOAN INTEREST INCOME**		**ESTIMATED TOTAL LOAN INTEREST INCOME**
Jul-20	690,138,378	6,176,070	4,688,065		5,805,400	87,923	695,109,190	2,512,547		2,512,547
Aug-20	695,109,190	6,096,070	5,759,755		5,805,413	87,923	701,071,679	2,528,937		2,528,937
Sep-20	701,071,679	17,256,070	4,345,936		5,805,425	1,489,030	715,379,230	2,548,900		2,548,900
Oct-20	715,379,230	4,722,840	4,386,857		5,805,438	87,923	718,595,566	2,599,952		2,599,952
Nov-20	718,595,566	3,886,140	5,952,431		5,805,450	87,923	722,540,764	2,610,296		2,610,296
Dec-20	722,540,764	3,062,040	5,542,530		5,805,463	5,887,923	719,451,948	2,622,816		2,622,816
Jan-21	719,451,948	3,062,040	4,926,602		5,805,476	2,257,923	719,377,191	2,611,616		2,611,616
Feb-21	719,377,191	3,049,440	4,465,726		5,805,489	4,437,923	716,648,945	2,610,463		2,610,463
Mar-21	716,648,945	3,936,540	4,350,432		5,805,501	5,737,923	713,392,493	2,600,483		2,600,483
Apr-21	713,392,493	4,811,040	4,600,432		5,805,514	2,662,923	714,335,528	2,588,923		2,588,923
May-21	714,335,528	6,533,720	4,850,432		5,805,527	9,183,923	710,730,230	2,591,561		2,591,561
Jun-21	710,730,230	8,412,000	5,100,432		5,805,540	87,923	718,349,199	2,579,715		2,579,715
TOTALS		71,004,010	58,969,630		69,665,636	32,097,183		31,006,209		31,006,209

Loan Rate Used For Projection 4.4028%

(1) Balance of loans at start of month, excluding HOME and other 0% interest loans
(2) Single family loan purchases
(3) Loan disbursements for the Multifamily Lending Program
(4) Reserved
(5) Single family loan principal repayments and early prepayments
(6) Multifamily, land development and other loan principal repayments and early prepayments
(7) Column (1) plus Columns (2), (3), & (4) minus Columns (5) & (6)
(8) Interest income on single family and multifamily mortgage loans
(9) Reserved
(10) Column (8) minus Column (9). Posted to Exhibit #1, Column (3)

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 5
Projection of Estimated Interest Expense

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*	*(11)*
MONTH	**ESTIMATED BEGINNING BONDS PAYABLE BALANCE**	**ESTIMATED (DEBT SERVICE) & (REDEMPTIONS)**	**ESTIMATED BOND SALES**	**ESTIMATED ENDING BONDS PAYABLE BALANCE**	**ESTIMATED BOND INTEREST EXPENSE**	**ESTIMATED BEGINNING LINE OF CREDIT BALANCE**	**ESTIMATED (PAYMENTS)**	**ESTIMATED DRAWS**	**ESTIMATED ENDING LINE OF CREDIT BALANCE**	**ESTIMATED LOC INTEREST EXPENSE**	**ESTIMATED TOTAL INTEREST EXPENSE**
Jul-20	333,040,000	0	0	333,040,000	843,640	0	0	0	0	0	843,640
Aug-20	333,040,000	0	0	333,040,000	843,640	0	0	0	0	0	843,640
Sep-20	333,040,000	0	0	333,040,000	843,640	0	0	0	0	0	843,640
Oct-20	333,040,000	0	0	333,040,000	843,640	0	0	2,920,000	2,920,000	0	843,640
Nov-20	333,040,000	(12,970,000)	0	320,070,000	815,715	2,920,000	0	5,765,000	8,685,000	5,110	820,825
Dec-20	320,070,000	0	0	320,070,000	815,715	8,685,000	(450,000)	0	8,235,000	15,199	830,914
Jan-21	320,070,000	0	35,000,000	355,070,000	874,048	8,235,000	0	2,540,000	10,775,000	14,411	888,459
Feb-21	355,070,000	0	0	355,070,000	874,048	10,775,000	(100,000)	0	10,675,000	18,856	892,904
Mar-21	355,070,000	0	0	355,070,000	874,048	10,675,000	(1,550,000)	0	9,125,000	18,681	892,729
Apr-21	355,070,000	0	0	355,070,000	874,048	9,125,000	0	1,750,000	10,875,000	15,969	890,017
May-21	355,070,000	(13,395,000)	0	341,675,000	843,802	10,875,000	(4,500,000)	0	6,375,000	19,031	862,833
Jun-21	341,675,000	0	0	341,675,000	843,802	6,375,000	0	4,870,000	11,245,000	11,156	854,958
TOTALS		(26,365,000)	35,000,000		10,189,786		(6,600,000)	17,845,000		118,414	10,308,200
Estimated Average Rate					3.02040%					2.10000%	

(1) Balance of bonds outstanding at the start of the month
(2) Reflects scheduled and early principal repayments on bonds currently outstanding. Posted to Exhibit #3, Column (2)
(3) Reflects anticipated bond sales. Posted to Exhibit #3, Column (2)
(4) Column (1) plus Column (2), plus Column (3)
(5) Estimated monthly interest expense.
(6) Balance of line of credit outstanding at the start of the month
(7) Reflects estimated principal repayments. Posted to Exhibit #3, Column (2)
(8) Reflects estimated draws. Posted to Exhibit #3, Column (2)
(9) Column (6) plus Column (7), plus Column (8)
(10) Estimated monthly interest expense.
(11) Column (5) plus Column (10). Posted to Exhibit #1, Column (6)

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 6
Projection of Estimated Operating Expenses Net of Reimbursements

	MONTH	(1) ACTUAL FY 2020 OPERATING EXPENSES	(2) % OF TOTAL	MONTH	(3) ESTIMATED FY 2021 OPERATING EXPENSES	(4) ESTIMATED ADMINISTRATIVE EXPENSE REIMBURSEMENTS	(5) ESTIMATED OPERATING EXPENSES NET OF REIMBURSEMENTS	(6) PROPOSED FY 2021 OPERATING EXPENSE BUDGET
	Jul-19	1,013,698	8.23%	Jul-20	1,058,866	49,320	1,009,546	12,866,000
	Aug-19	981,386	7.97%	Aug-20	1,025,115	49,320	975,795	
	Sep-19	926,478	7.52%	Sep-20	967,760	134,489	833,271	
	Oct-19	962,589	7.82%	Oct-20	1,005,480	134,489	870,991	
	Nov-19	1,099,400	8.93%	Nov-20	1,148,387	134,489	1,013,898	
	Dec-19	1,055,106	8.57%	Dec-20	1,102,120	134,490	967,630	
	Jan-20	976,368	7.93%	Jan-21	1,019,873	143,240	876,633	
	Feb-20	1,009,471	8.20%	Feb-21	1,054,451	143,240	911,211	
	Mar-20	911,164	7.40%	Mar-21	951,764	58,072	893,692	
	Apr-20	1,109,052	9.00%	Apr-21	1,158,469	58,072	1,100,397	
*	May-20	1,136,229	9.22%	May-21	1,186,857	49,322	1,137,535	
*	Jun-20	1,136,229	9.22%	Jun-21	1,186,857	49,325	1,137,532	
		12,317,170	100.00%		12,866,000	1,137,868	11,728,132	

(1) Actual expenditures for prior 12 months to establish a reasonable trend to calculate timing of expenditures for current fiscal year.
(2) Calculation of % of total expenditures that this month's expenditures represented.
(3) Column (2) percentage rate times current fiscal year's budgeted operating expenses as shown in Column (6).
(4) Administrative cost reimbursements for the operation of HOME, JIT, CDBG, the National Housing Trust Fund and direct bond COI which is reported in a separate line item.
(5) Column (3) minus Column(4). Posted to Exhibit #1, Column (7).
(6) Proposed operating expenses for current fiscal year.
* Estimated

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 7
CALCULATION OF OTHER PROGRAM FUND EXPENSES

MONTH	(1) ESTIMATED SERVICING RELEASE FEE EXPENSE	(2) ESTIMATED SEC. MRKT RELEASE FEE EXPENSE	(3) ESTIMATED LOAN SERVICING EXPENSE	(4) ESTIMATED LOAN ORIGIN-ATION FEES EXPENSE	(5) ESTIMATED SPECIAL NEEDS DISB.	(6) ESTIMATED COSTS OF ISSUANCE EXPENSE	(7) ESTIMATED BUILDING EXPENSES	(8) ESTIMATED MISC EXPENSE	(9) ESTIMATED AHF DISB.	(10) ESTIMATED REO HOLDING COSTS	(11) ESTIMATED PROGRAM EXPENSES	(12) ESTIMATED DEPRECIATION EXPENSES (NON-CASH)	(13) ESTIMATED LOAN LOSS PROVISION (NON-CASH)	(14) ESTIMATED PROPERTY DISPOSITION (NON-CASH)	(15) ESTIMATED TOTAL NON-CASH EXPENSES
Jul-20	37,641	45,000	262,360	125,809	29,874	0	20,082	23,376	183,629	125,000	852,771	16,947	0	50,000	66,947
Aug-20	37,641	45,000	262,360	124,659	29,874	0	20,082	32,376	183,629	125,000	860,621	16,947	0	50,000	66,947
Sep-20	37,641	45,000	262,360	124,659	29,874	0	20,082	23,376	183,629	125,000	851,621	16,947	0	50,000	66,947
Oct-20	29,124	33,750	262,360	100,420	29,874	0	20,082	48,151	183,629	125,000	832,391	16,947	0	40,000	56,947
Nov-20	23,972	22,500	262,360	85,182	26,263	0	20,082	22,926	183,629	125,000	771,915	16,947	0	30,000	46,947
Dec-20	18,820	15,750	262,360	70,520	26,263	0	20,082	22,791	183,629	125,000	745,216	16,947	0	30,000	46,947
Jan-21	18,820	11,250	262,360	69,945	26,263	77,500	20,082	50,773	183,629	125,000	845,623	16,947	0	30,000	46,947
Feb-21	18,820	11,250	262,360	69,945	26,263	393,200	20,082	26,868	183,629	125,000	1,137,417	16,947	0	30,000	46,947
Mar-21	23,972	18,000	262,360	84,608	26,263	0	20,082	31,704	183,629	125,000	775,618	16,947	0	40,000	56,947
Apr-21	29,124	27,000	262,360	100,421	26,263	0	20,082	38,934	91,182	125,000	720,366	16,947	0	50,000	66,947
May-21	40,322	33,750	262,360	132,290	26,263	0	20,082	27,299	149,516	125,000	816,882	16,947	0	50,000	66,947
Jun-21	51,519	45,000	262,364	165,310	26,261	0	20,076	27,524	149,516	125,000	872,570	16,947	200,000	50,000	266,947
TOTAL	367,416	353,250	3,148,324	1,253,767	329,598	470,700	240,981	376,100	2,042,875	1,500,000	10,083,011	203,359	200,000	500,000	903,359

(1) Fees paid to lenders for the servicing rights on bond program and Movin' Up loans
(2) Fees paid to lenders for the servicing rights on secondary market loans
(3) Fees paid related to servicing mortgages owned by the Housing Development Fund
(4) Origination fees paid to lenders and fees for appraisals, credit reports, etc. paid to various vendors on behalf of borrowers in our single family bond, secondary market and HOME programs
(5) Disbursements for the Housing Development Fund's Special Needs Program
(6) Cost of issuance for the anticipated bonds to be issued this fiscal year
(7) Costs of maintaining and operating the Fund's office building
(8) BIF expenses for insurance, participation fees for the NIBP, FNMA fees paid to BNY, WVPRI Technical Assistance expenses, REAC inspections and other miscellaneous expenses
(9) Disbursements for the Housing Development Fund's Affordable Housing Fund Program
(10) Preservation, maintenance and repair costs on foreclosed properties
(11) Total of Columns (1) to (10). Posted to Exhibit #1, Column (8)
(12) Depreciation on the Fund's office building and equipment
(13) Potential loan losses on various loan programs
(14) Losses on sales of foreclosed properties
(15) Total of Columns (12) to (14). Posted to Exhibit #1, Column (11)

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 8

CALCULATION OF OTHER ADD/ (LESS) COLUMN - SHORT TERM INVESTMENT BALANCES (Exhibit # 3, Column (4))

MONTH	*(1)* ESTIMATED LOAN INTEREST INCOME	*(2)* ESTIMATED INVESTMENT INTEREST INCOME	*(3)* ESTIMATED SINGLE FAMILY LOAN PAYOFFS & AMORTIZATIONS	*(4)* ESTIMATED MULTIFAMILY LOAN PAYOFFS & AMORTIZATIONS	*(5)* ESTIMATED LONG-TERM INVESTMENT (PURCH)/MAT	*(6)* ESTIMATED OPER-ATING EXPENSES NET OF REIMB-URSEMENTS	*(7)* ESTIMATED FEE INCOME AND OTHER REVENUES	*(8)* ESTIMATED BOND INTEREST EXPENSE	*(9)* ESTIMATED OTHER EXPENSES	*(10)* ESTIMATED SHORT-TERM OTHER COLUMN
Jul-20	2,512,547	225,159	5,805,400	87,923	0	(1,009,546)	685,591	(843,640)	(852,771)	6,610,662
Aug-20	2,528,937	223,426	5,805,413	87,923	0	(975,795)	891,843	(843,640)	(860,621)	6,857,486
Sep-20	2,548,900	221,207	5,805,425	1,489,030	0	(833,271)	787,617	(843,640)	(851,621)	8,323,646
Oct-20	2,599,952	215,538	5,805,438	87,923	0	(870,991)	691,093	(843,640)	(832,391)	6,852,922
Nov-20	2,610,296	216,345	5,805,450	87,923	0	(1,013,898)	671,194	(820,825)	(771,915)	6,784,571
Dec-20	2,622,816	213,127	5,805,463	5,887,923	0	(967,630)	668,994	(830,914)	(745,216)	12,654,564
Jan-21	2,611,616	215,572	5,805,476	2,257,923	0	(876,633)	1,210,906	(888,459)	(845,623)	9,490,778
Feb-21	2,610,463	229,209	5,805,489	4,437,923	0	(911,211)	657,506	(892,904)	(1,137,417)	10,799,056
Mar-21	2,600,483	230,513	5,805,501	5,737,923	0	(893,692)	726,507	(892,729)	(775,618)	12,538,888
Apr-21	2,588,923	231,618	5,805,514	2,662,923	0	(1,100,397)	1,162,204	(890,017)	(720,366)	9,740,402
May-21	2,591,561	232,482	5,805,527	9,183,923	0	(1,137,535)	741,444	(862,833)	(816,882)	15,737,686
Jun-21	2,579,715	226,837	5,805,540	87,923	0	(1,137,532)	950,460	(854,958)	(872,570)	6,785,415
TOTAL	31,006,209	2,681,034	69,665,636	32,097,183	0	(11,728,132)	9,845,355	(10,308,200)	(10,083,011)	113,176,074

(1) From Exhibit # 4, Column (10)
(2) From Exhibit # 3, Column (12)
(3) From Exhibit # 4, Column (5)
(4) From Exhibit # 4, Column (6)
(5) From Exhibit # 3, Column (8) plus Column (9)
(6) From Exhibit # 6, Column (5)
(7) From Exhibit # 2, Column (9) plus Exhibit # 9, Column (6)
(8) From Exhibit # 5, Column (11)
(9) From Exhibit # 7, Column (11)
(10) Total of Columns (1) to (9); Posted to Exhibit #3, Column (4)

Projection of Revenues and Expenses for the West Virginia Housing Development Fund
Year Ending June 30, 2021
Exhibit # 9
Other Revenues

	(1)	(2)	(3)	(4)	(5)	(6)
MONTH	ESTIMATED BUILDING RENTAL INCOME		ESTIMATED SECONDARY MARKET INCOME	ESTIMATED PROPERTY DISPOSITION INCOME		ESTIMATED OTHER REVENUES
Jul-20	59,000		54,000	4,396		117,396
Aug-20	59,000		54,000	4,396		117,396
Sep-20	59,000		54,000	4,396		117,396
Oct-20	59,000		40,500	4,396		103,896
Nov-20	59,000		27,000	4,396		90,396
Dec-20	59,000		18,900	4,396		82,296
Jan-21	59,000		13,500	4,396		76,896
Feb-21	59,000		13,500	4,396		76,896
Mar-21	59,000		21,600	4,396		84,996
Apr-21	59,000		32,400	4,396		95,796
May-21	59,000		40,500	4,396		103,896
Jun-21	59,000		54,000	4,396		117,396
TOTAL	708,000		423,900	52,752		1,184,652

(1) Rent paid by the Housing Development Fund to cover the costs of maintaining and operating the Fund's office building.
(2) Reserved
(3) Net gains on loans originated and sold to FNMA
(4) Gains on sales of foreclosed properties
(5) Reserved
(6) Total of Columns (1) to (5). Posted to Exhibit #1, Column (4)

WEST VIRGINIA HOUSING DEVELOPMENT FUND

BOND INDUCEMENT RESOLUTION

RESOLUTION PRELIMINARILY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $10,750,000 AGGREGATE PRINCIPAL AMOUNT OF THE ISSUER'S REVENUE BONDS

WHEREAS, the West Virginia Housing Development Fund, a public body corporate and governmental instrumentality of the State of West Virginia (the "Issuer"), under Chapter 31, Article 18 of the Code of West Virginia, 1931, as amended (the "Act"), has plenary power and authority to finance and refinance residential housing projects by making loans to others to provide funds for the refinancing, acquisition, construction and improvement of such residential housing projects and to issue revenue bonds for the purpose of defraying the costs of refinancing, acquiring, constructing and improving such projects;

WHEREAS, Parkland Chapmanville Preservation, LLC, a West Virginia limited liability company (the "Borrower"), has requested that the Issuer assist the Borrower in financing the acquisition and rehabilitation of (i) a 133-unit affordable residential rental project for seniors, known as Parkland Place, located at 1250 31st Street, Parkersburg, Wood County, West Virginia ("Parkland Place") and (ii) an 88-unit affordable residential rental project for seniors, known as Chapmanville Towers, located at 647 Main Street, Chapmanville, Logan County, West Virginia ("Chapmanville Towers"; together with Parkland Place, the "Property"), and the payment of certain costs and expenses related thereto (collectively, the "Project") (A detailed description of the Property and Project is attached as Exhibit A.);

WHEREAS, the Borrower has requested that the Issuer issue its revenue bonds in an aggregate principal amount not to exceed $10,750,000 (the "Bonds") pursuant to an indenture, financing agreement or other like document (the "Indenture"), between the Issuer and a trustee, fiscal agent or other like entity named therein (the "Trustee"), such Bonds to be secured under such Indenture, and the proceeds of such Bonds to be used by the Issuer for the purpose of providing funds to finance costs of the Project;

WHEREAS, the Borrower has requested that the Issuer lend the proceeds of the Bonds to the Borrower pursuant to a financing agreement, loan agreement or other like document (the "Financing Agreement"), between the Issuer and the Borrower;

WHEREAS, the financing of the Project by the Issuer will promote and assist the Borrower to provide affordable housing to the citizens of West Virginia, and the financing of the Project is a public purpose of the Issuer under the Act;

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" in respect of the issuance of the Bonds for the Project and related reimbursement purposes under the income tax regulations promulgated by the United States Treasury Department (the "Regulations") under the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Bonds, together with the interest thereon, shall be secured by revenues of the Project, a mortgage loan on the Property and/or a form of credit enhancement, and under no circumstances will the Bonds be payable from funds of the Issuer; and

WHEREAS, it is now necessary to provide for the preparation of the Indenture, the Financing Agreement and other documents with respect to the issuance and sale of the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE WEST VIRGINIA HOUSING DEVELOPMENT FUND, AS FOLLOWS:

1. It is hereby found and determined, subject to a public hearing to be held prior to issuance of the Bonds, that proceeding with the financing of the Project for the Borrower is a public purpose of the Issuer and is in the public interest.

2. The Issuer hereby determines it intends to issue, pursuant to the Act, the Bonds, if so requested by the Borrower, in an aggregate principal amount to be agreed upon by the Issuer and the Borrower, not to exceed $10,750,000, and to finance qualifying costs of the Project (which may include reimbursing the Borrower for the acquisition of and the making of certain improvements to the Property), such Bonds to be secured by and payable from revenues of the Project, a mortgage loan on the Property and/or a form of credit enhancement (such as cash collateral, a mortgage-backed security of a government-sponsored enterprise, such as Fannie Mae, or a credit facility), and which Bonds may be additionally secured by such instruments as the Borrower and the Issuer shall agree.

3. The Bonds shall bear such dates, mature at such time or times, bear interest at such rate or rates and contain such other terms and provisions as shall be determined by subsequent action of the Issuer and approved by the Borrower. The Bonds shall be limited obligations of the Issuer, and it is expressly provided that any and all Bonds and the interest

thereon, as may be so issued, shall in no way constitute or become an indebtedness of the Issuer or the State of West Virginia and shall never give rise to any pecuniary liability of the Issuer or the State of West Virginia. The Bonds shall be secured by and payable from revenues of the Project, a mortgage loan on the Property and/or a form of credit enhancement, and shall not be a general obligation or moral obligation of the Issuer or in any way secured by any assets of the Issuer other than pursuant to the Indenture and the Financing Agreement subject to the Issuer's rights thereunder.

4. The Project shall be owned by the Borrower and financed pursuant to the Financing Agreement, the terms of which are to be mutually agreed upon by the Borrower and the Issuer, and which shall provide that the Borrower will be obligated to repay the loan made to the Borrower by the Issuer under the Financing Agreement and to pay a loan financing fee payable to the Issuer, the charges of the Trustee and certain other expenses under the Indenture.

5. Such rulings, approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Issuer and to the Borrower as to such matters with respect to the Bonds and the tax exemption of interest thereon for federal income tax purposes and the tax exemption thereof and income thereon for the State of West Virginia and local tax purposes, the Indenture, the Financing Agreement, any credit enhancement documents and other necessary documents as shall be specified by the Issuer and the Borrower shall have been obtained from such governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and to the Project and shall be in full force and effect at the time of the issuance of the Bonds.

6. This Resolution is an affirmative declaration of official intent of the Issuer toward the issuance of the Bonds as contemplated herein in accordance with the purposes of the laws of the State of West Virginia, the Code and the Regulations, and it is understood that the Borrower may rely upon this Resolution in commencing with the Project and providing temporary financing therefor. The Issuer reasonably expects, as of the date hereof, to timely reimburse the Borrower for certain costs of the Project paid or incurred by the Borrower prior to the issuance of the Bonds with the proceeds of the Bonds, the interest on which will be exempt from federal income tax. However, the Issuer's ability to actually issue the Bonds is subject to satisfying the conditions in Paragraphs numbered 4. and 5. herein.

7. The law firm of Hawkins Delafield & Wood LLP, New York, New

York, is hereby appointed bond counsel in connection with the issuance and sale of the Bonds, and said firm is hereby authorized and directed to act in such capacity in the preparation of the Indenture, the Financing Agreement and other documents necessary for the authorization, issuance and sale of said Bonds, subject to submission of all such documents to the designated attorney for the Issuer. The fees and charges of said firm and the designated attorney for the Issuer shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

8. Jackson Kelly PLLC ("General Counsel") is hereby appointed as general counsel to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said General Counsel shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

9. Piper Sandler & Co. (the "Financial Advisor") is hereby appointed as financial advisor to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said Financial Advisor shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

10. The members of the board of directors of the Issuer, the officers and employees of the Issuer and the Issuer itself shall not have any expense, financial liability or financial obligation of any kind in connection with the Bonds except as shall be reimbursed by the Borrower.

11. The Borrower is responsible for (i) all rebate calculations and rebate obligations in respect of the Bonds under the Code and the Regulations, (ii) compliance with all other provisions of the Code and the Regulations applicable to the Bonds and the Project and (iii) compliance with all secondary market reporting obligations in respect of the Bonds, if any.

12. This Resolution shall become effective immediately.

Adopted this 24th day of June, 2020.

Chairman, Board of Directors
West Virginia Housing Development Fund

Adopted this 24th day of June, 2020.

Executive Director
West Virginia Housing Development Fund

Heritage Housing, Inc.

David R. McCarthy
President

P.O. Box 1170
Norwalk, CT 06856-1170
(203) 838-3388
dmccarthy@heritagehousinginc.com
www.heritagehousinginc.com

Erica Boggess
Executive Director

West Virginia Housing Development Fund
5710 MacCorkle Ave S.E.
Charleston, WV 25304

April 15, 2020

Dear Ms. Boggess**,**

Heritage Housing, Inc., on behalf of Parkland Chapmanville Preservation LLC ("Borrower"), is pleased to advance this request to the West Virginia Housing Development Fund ("WVHDF") for $10,750,000 of private activity tax-exempt bond volume cap to acquire and rehabilitate two existing affordable housing properties in West Virginia:

- Parkland Place: 1250 31st Street, Parkersburg, WV 26104
- Chapmanville Towers: 647 Main Street, Chapmanville, WV 25508

Both properties are currently held by their original owners, which is a fund that is liquidating its holdings. Our plan is to acquire both properties with the same entity and close on a single 4% LIHTC and tax-exempt bond financing in 2021 to recapitalize both properties. The acquisition will occur in two stages:

- The Borrower will acquire Parkland Place with interim financing in July, 2020. The permanent tax-exempt bond and LIHTC financing will take out this interim financing at closing.
- The Borrower will acquire Chapmanville Towers at the LIHTC financial closing.

We are requesting an inducement resolution from WVHDF in June, 2020 in order to include the acquisition cost of Parkland Place as a bond-eligible expense for our 95/5 evaluation when the rehabilitation financing closes.

The rehabilitation financing will preserve the long-term affordability of these properties. Parkland Place was built in 1977 and provides 133 units of housing to seniors. All units are supported with a Section 8 contract that expires in 2030, after which the property will have no affordability restrictions. Chapmanville Towers was built in 1981 and provides 88 units of housing to seniors. All units are supported with a Section 8 contract that expires in 2027. There is a Mark to Market use agreement that restricts affordability until 2037. The rehabilitation financing would extend the property's affordability to 2051 and the Parkland Place Section 8 contract will be renewed and extended.

The rehabilitation financing will also enable a renovation of both properties to replace original materials that are, in some cases, over 40 years old. The total construction budget for the combined portfolio, including contingency, is approximately $8 million or $36,000 per unit. The rehabilitation scope is outlined in the attached memo. The rehabilitation will provide updated kitchens, bathrooms and common areas for all residents; it will reduce the buildings' energy usage through higher-efficiency heating and cooling systems; and it will replace original building systems such as rusted sanitary lines and original elevator equipment. We anticipate that all tenants will remain within the building during rehabilitation, which will last approximately fourteen months.

We look forward to working with WVHDF to successfully close on the rehabilitation financing and complete the preservation/rehabilitation of Parkland Place and Chapmanville Towers over the coming year.

Sincerely,

David R. McCarthy

Enc (1)

Heritage Housing, Inc.

P.O. Box 1170
Norwalk, CT 06856-1170
(203) 838-3388
nfarrell@heritagehousinginc.com
www.heritagehousinginc.com

PARKLAND-CHAPMANVILLE PRESERVATION
DRAFT SCOPE OF WORK

April 15, 2020

PARKLAND PLACE ONLY

Division 7 – Thermal & Moisture Protection

- Repaint existing concrete exterior.

Division 15 – Plumbing & HVAC

- Demolish and replace all sanitary stack plumbing down to the main.

CHAPMANVILLE TOWERS ONLY

Division 7 – Thermal & Moisture Protection

- Clean, point, and repair exterior masonry.

Division 15 – Plumbing & HVAC

- Replace domestic hot water boiler.

Division 16 – Electrical

- Replace pull cord system.
- Replace fire panel.

BOTH PROPERTIES

Division 2 – Site Work / Existing Conditions

- All required demolition for ADA units (5% of all units)

Division 6 – Wood & Plastics

- Reframe ADA units

Division 7 – Thermal & Moisture Protection

- Replace roof

- Patch air conditioner openings and replace siding material

Division 8 – Doors & Windows

- Replace all windows & patio slider doors.
- Replace building entrance storefront.

Division 9 – Finishes

- Replace all flooring in kitchens and bathrooms.
- Replace carpets per unit matrix.
- New drywall in all ADA units.
- Selective common area improvements, including flooring and repainting.

Division 10 – Specialties

- Install new bathroom accessories in all ADA apartments.

Division 11 – Equipment

- Install new cabinetry and countertops in all kitchens.
- Install new vanities and tops in all bathrooms.
- Replace all refrigerators and stoves.

Division 14 – Elevators

- Modernize the elevator equipment and replace the elevator cab finishes.

Division 15 – Plumbing & HVAC

- Replace all shower faucets, sinks, and faucets in all bathrooms.
- Replace tubs in all ADA units and where required per unit matrix.
- Replace all kitchen sinks and faucets.
- Replace all toilets.
- Replace resilient electric heat / air conditioning system with high-efficiency mini split systems.

Division 16 – Electrical

- Add smoke/CO alarms per code.
- Rewire ADA units.

TITLE 88
PROCEDURAL RULE
WEST VIRGINIA HOUSING DEVELOPMENT FUND

SERIES 3
PURCHASING PROCEDURE

§88-3-1. General.

1.1. Scope. -- This rule is to ensure certain controls and accountabilities are in place for the purchase of goods and services by the Fund. This rule identifies procurement guidelines based on the monetary amount of the good or service. This rule applies only to the purchase of goods and services for the administrative functions of the Fund and is not applicable to housing programs.

1.2. Authority. -- W. Va. Code §31-18-6.

1.3. Filing Date. -- June 24, 2020.

1.4. Effective Date. -- July 24, 2020.

§88-3-2. Definitions.

2.1. "Authorized Designee" means anyone designated in writing by the Executive Director to perform a specific task or function.

2.2. "Board" means the Board of Directors of the Fund.

2.3. "Executive Director" means the Executive Director of the Fund.

2.4. "Fund" means the West Virginia Housing Development Fund created and established under W. Va. Code §31-18-1 *et seq.*

2.5. "RFP" means Request for Proposal.

2.6. "State" means the State of West Virginia.

§88-3-3. Overview.

3.1. The Fund is a public body corporate and government instrumentality of the State established to increase the supply of residential housing for persons and families of low or moderate income and to provide construction and permanent mortgage financing to public and private sponsors of such housing. In addition, the Fund serves as a pass-through entity or administrator of money allocated by the Federal Government. The Fund does not spend the federal award but instead passes it on to the end user, which is a developer of affordable housing. As such, the Uniform Guidance Procurement Policies and the updates under the National Defense Authorization Act (NDAA) do not directly apply to the Fund's operations.

The Fund receives no appropriations from the State, is not a state spending unit, is not subject to an appropriated budget by the State, is not required to adopt a legally authorized budget and is not subject to the State's procurement process. However, for sound financial management and oversight purposes an annual administrative budget is presented to, and approved by, the Board. Monthly, the Board reviews a comparison of actual to budgeted expenses to monitor the Fund's compliance with its administrative budget. Goods and services purchased for the administrative functions of the Fund are approved as part of the annual administrative budget.

§88-3-4. Purchasing Requirements.

4.1. All purchases of goods and services are subject to expenditure approval. Documentation of the evaluation and decision will be imaged with the executed contract, if applicable. If the purchase does not involve a contract, documentation should be included as backup to the request for payment and imaged with the payable/voucher.

4.2. Requirements for purchases up to $5,000:

4.2.1. No formal bid process is required.

4.2.2. The authorized approval(s) on the request for payment will serve as documentation of the decision of reasonableness and will be imaged with the payable.

4.3. Requirements for purchases greater than $5,000 but not more than $10,000:

4.3.1. No formal bid process required if prices obtained through research and inquiry are considered to be reasonable.

4.3.2. Reasonableness will be determined by comparing prices to previous purchases, other published prices or prices obtained from more than one (1) vendor.

4.3.3. The proposed purchase must receive the approval of an Authorized Designee or the Executive Director.

4.4. Requirements for purchases greater than $10,000 but not more than $75,000:

4.4.1. Prices or quotes will be obtained from a minimum of two (2) separate sources.

4.4.2. Price is not required to be the final deciding factor.

4.4.3. The proposed purchase must receive the approval of an Authorized Designee or the Executive Director.

4.5. Requirements for purchases greater than $75,000:

4.5.1. Bids or price quotes must be solicited from an adequate number of known qualified suppliers with sufficient response time permitted. This may be done in the form of an RFP or price solicitation.

4.5.2. The RFP invitation or price solicitation must define the items or services to allow consistency and comparability of bids or price quotes submitted, if applicable.

4.5.3. Bids or price quotes will be opened at a time and place prescribed in the RFP invitation or price solicitation, if applicable. Price is not required to be the final deciding factor.

4.5.4. All bidders will be notified of either successful or unsuccessful bid or quote in writing, which may be via e-mail.

4.5.5. Any or all bids and/or quotes may be rejected if there is a sound, documented reason for such rejection.

4.5.6. The proposed purchase must receive the approval of the Executive Director or other officer or employee with full signature authority as authorized by the Board.

4.6. Consultants and Contracts. The Executive Director, or other officers or employees with full signature authority as authorized by the Board, may engage consultants and execute contracts for services or software within budgets approved by the Board.

4.7. Protests. Protests apply only to bids, price quotes and awards made under Section 4.5.

4.7.1. Submission of Protest.

4.7.1.a. Protests based on bid or price quote specifications must be submitted no later than five (5) working days prior to the bid or price quote opening. Protest of a purchase order or contract award must be submitted no later than five (5) working days after the award. The vendor is responsible for knowing the bid or price quote opening and award dates. Protests received after these dates may be rejected at the option of the Executive Director.

4.7.1.b. All protests must be submitted in writing to the Fund and contain the following information:

4.7.1.b.1. The name and address of the protestor;

4.7.1.b.2. The requisition, solicitation, purchase order or contract numbers;

4.7.1.b.3. A statement of the grounds of protest;

4.7.1.b.4. Supporting documentation, if necessary; and

4.7.1.b.5. The resolution or relief sought.

4.7.1.c. Failure to submit the information required by Subdivision 4.7.1.b. shall be grounds for rejection of the protest by the Executive Director.

4.7.2. Protest Review.

4.7.2.a. The Executive Director or his/her designee shall review the matter of protest and issue a written decision. A hearing may be conducted at the option of the Executive Director or assigned designee. Continuation or delay of a purchase order or contract award is at the discretion of the Executive Director.

4.7.2.b. The Fund may refuse to review any protests when the matter involved has been decided in a previous protest by the Fund.

§88-3-5. Permitted Exceptions.

5.1. Sole-Source Provider. Exceptions may be made to the provisions of this rule in instances where there is a “sole-source” provider.

5.2. Software Purchases. It is the practice of the Fund to evaluate various software applications through research and vendor product demonstrations and then select the software that best meets the needs of the organization through a cost/benefit analysis. In these instances, a formal RFP need not be issued.

5.3. Emergencies. Exceptions may be made in the event of federally declared emergencies or State declared emergencies affecting the Fund or its programs.

5.4. Board Approved Exceptions. Case-by-case exceptions may be made to the provisions of this rule in instances approved by the Board.

5.5. Documentation of Exceptions. The reasoning for and approval of exceptions should be noted in the supporting documentation and/or the payment/voucher request. Any exception shall require the written approval of the Executive Director or other officers or employees with full signature authority as authorized by the Board.

§88-3-6. Severability.

6.1. If any word, phrase, or provision of this rule is held to be invalid, the remainder of the rule shall, to the fullest extent possible, not affected by that holding.

EXHIBIT E

MPF® Participating Financial Institution Resolution

Resolution for MORTGAGE PARTNERSHIP FINANCE® Participating Financial Institution Agreement

(Execution of agreement/transaction authority) (**RESCINDS AND SUPERSEDES ANY AND ALL PREVIOUSLY EXECUTED RESOLUTIONS**)

RESOLVED, that ☒ any 1 person is a duly qualified signer of
☐ any 2 of the following persons (together), who are duly qualified signers of

Member ("PFI"): West Virginia Housing Development Fund

(NAME)	(TITLE)	(SIGNATURE)
Kristin A. Shaffer	Senior Legal Counsel	
Crystal L. Toney	Deputy Director- Administration	
Julie W. Davis	Deputy Director- Production	
Erica L. Boggess	Executive Director	

be and they hereby are authorized to: (1) execute the Federal Home Loan Bank of Pittsburgh ("Bank") MORTGAGE PARTNERSHIP FINANCE Participating Financial Institution Agreement ("PFI Agreement") substantially in the form of the PFI Agreement presented at this meeting (or if action by unanimous consent, sent with such consent), incorporated herein by reference (or in the case of previous execution of said PFI Agreement, such action is hereby ratified) and such further amendments, agreements, documents, certifications or instructions as may be requested by the Bank in connection with the PFI Agreement; (2) take such action from time to time in connection with such PFI Agreement as they may deem necessary, advisable or proper, including, but not limited to, entering into Master Commitments, Delivery Commitments and individual mortgage loan related transactions; and (3) delegate in writing from time to time to one or more officers or employees of this PFI or of its affiliates, acting individually, (a) the authority to take any of the actions specified in (1) and (2) above on behalf of this PFI, and (b) if the PFI participates in any MPF product that requires one or more Security Administrator ("SA"), one or more SA(s) to act on the PFI's behalf related solely to accessing MPF related electronic platforms, which access will include, without limitation, the authority to: (i) set up users, including, if applicable, assigning transactions authority to authorized PFI officers, employees, agents or representatives ("Authorized User") to use MPF related electronic platforms; and (ii) add, modify or terminate an Authorized User's access to and/or privileges in MPF related electronic platforms.

RESOLVED FURTHER, that the Secretary, or any Assistant Secretary, of this PFI be and hereby is authorized and directed to certify to the Bank that (a) these resolutions have been duly adopted by the Board of Directors of this PFI at a regular meeting or duly called special meeting or by unanimous written consent if permitted by applicable law and the bylaws of this PFI, which adoption of these resolutions are reflected in the Board of Directors meeting minutes, and are in conformity with the charter and bylaws or other governing instrument of this PFI; (b) the PFI Agreement is continuously maintained as an official record of the PFI, and (c) further to certify to the Bank (i) a copy of these resolutions, (ii) the names of the present signers of this PFI authorized to act as aforesaid, and (iii) that the specimen signatures provided to the Bank of the signers authorized to act under these resolutions are true and correct signatures of such signers.

RESOLVED FURTHER, that these resolutions shall remain in full force and effect commencing on the date hereof and continuing until the discharge of all obligations of this PFI under the PFI Agreement. These resolutions supersede any existing resolution on file with the Bank which may be construed to apply to Mortgage Partnership Finance Program transactions. The authorizations set forth herein shall be construed as effective until receipt by the Bank of written notice of their amendment or revocation.

I, Martha Lilly, hereby certify that I am the duly elected, qualified, and acting Secretary of

West Virginia Housing Development Fund (NAME OF PARTICIPATING FINANCIAL INSTITUTION) — Charleston, West Virginia (LOCATION)

that the above resolutions are a full, true and correct copy of resolutions duly adopted by the Board of Directors at a regular meeting or duly called special meeting or by unanimous written consent on the 24th day of June, 20 20, (if at a meeting, at which a quorum was present and acting throughout), that said resolutions were adopted in accordance with statutory and charter requirements and are duly recorded in the minutes of said meeting or records by the Board of Directors, that the signers named above are duly appointed in the capacities shown above and that the specimen signatures appearing opposite each signer's name above is the true and correct signature of that signer.

Signed: ______________________ **Date:** ______________________

SECRETARY

FEDERAL HOME LOAN BANK OF PITTSBURGH
MORTGAGE PARTNERSHIP FINANCE® PROGRAM
PARTICIPATING FINANCIAL INSTITUTION AGREEMENT
[purchase only]

THIS PARTICIPATING FINANCIAL INSTITUTION AGREEMENT ("Contract") is dated as of June 24, 2020 between the participating financial institution (the "PFI") West Virginia Housing Development Fund that signs this document and the FEDERAL HOME LOAN BANK OF PITTSBURGH (the "Bank"), a corporation organized and existing under the laws of the United States of America.

I. GENERAL INFORMATION

This article contains important basic information about this Contract.

1.1. Purpose of Contract. The purpose of this Contract is:

(a) to establish the PFI as an approved seller of mortgages to the Bank under the MORTGAGE PARTNERSHIP FINANCE ("MPF®") Program, a program established by the Federal Home Loan Bank of Chicago (in such capacity, the "MPF Provider");

(b) to establish the terms and conditions for the origination of those mortgages which the Bank will purchase;

(c) to establish the terms and conditions, including, without limitation, the Credit Enhancement of the PFI, under which the Bank will purchase mortgages;

(d) to establish the PFI as an approved servicer of mortgages held by the Bank, whether sold by the PFI or by others;

(e) to provide the terms and conditions of servicing mortgages for the Bank, whether sold by the PFI or by others; and

(f) to supercede in certain respects any prior MPF Program Participating Financial Institution Agreement(s) which the PFI may have executed ("Prior Contract").

1.2. Consideration. In consideration of the purpose of this Contract and of all the provisions and mutual promises contained in it, the PFI and the Bank agree to all that this Contract contains.

1.3. The Guides. The MPF Provider has issued its guides to PFIs (collectively, the "Guides"), and, from time to time, issues modifications of the Guides, and furnishes them to the PFI which the PFI agrees are incorporated into this Contract by reference as if fully set forth herein. These Guides are:

(a) the MORTGAGE PARTNERSHIP FINANCE Origination Guide; and

(b) the MORTGAGE PARTNERSHIP FINANCE Servicing Guide.

Whenever there is a reference to the Guides in this Contract, it means either or both the Origination Guide and the Servicing Guide, as the context may require and as they exist now and as they may be amended or supplemented in writing. The MPF Provider may amend or supplement the Guides, or either of them, from time to time, at its sole discretion, by furnishing amendments or supplementary matter to the PFI in accordance with Section 13.2 of this Contract, and such amendments or supplements shall be included in the Guides for the purposes hereof. The Origination Guide is applicable to the origination of Closed Mortgages sold to the Bank whether originated or purchased by the PFI. The Servicing Guide is applicable to the servicing of mortgages for the Bank. whether originated for or purchased by the Bank from the PFI or from other PFIs.

The term "Guides" also includes anything that, in whole or in part, supersedes or is substituted for the Guides.

1.4 Certain Definitions. All capitalized terms defined in this Section 1.4 when used in this Contract shall have the meanings set forth in this Section 1.4. All other capitalized terms that are defined in this Contract by use of quotation marks to indicate a definition shall have the meanings set forth in the body of this Contract where they are defined. All other capitalized terms used but not defined herein shall have the same respective meanings as set forth in the Guides.

(a) "Acquired Mortgage". Any mortgage which the PFI purchased and sold to the Bank or for which the PFI acquired the Servicing and is Servicing for the Bank.

(b) "Actual Credit Enhancement". Until the date a Master Commitment is filled, closed or expires, the cumulative amount of the PFI's credit enhancement obligation as determined by the MPF Provider's system with respect to the mortgages then delivered under that Master Commitment. On and after such date, the amount of the PFI's credit enhancement obligation as determined by such system with respect to all mortgages actually delivered under the Master Commitment in accordance with the applicable MPF Mortgage Product description, which may permit the Actual Credit Enhancement to be reset from time to time by the MPF Provider. In no event shall the Actual Credit Enhancement be less than any minimum amount required for the applicable MPF Mortgage Product or greater than the Maximum Credit Enhancement stated in the Master Commitment. Further, if any mortgages are subsequently purchased or repurchased by the PFI pursuant to Section 5.5, the Actual Credit Enhancement may, at the option of the Bank, be recalculated as if such mortgages had never been delivered under the Master Commitment.

(c) "Advances Agreement". The advances and security agreement between the PFI and the Bank.

(d) "Applicable Laws". All federal, state and local laws, ordinances, rules, regulations and orders applicable to the origination, holding, sale or servicing of Mortgages, whether performed as an agent, principal, independent contractor or vendor.

(e) "Business Day". Any day (other than Saturdays and Sundays) that the MPF Provider is open for business.

(f) "Closed Mortgage". A mortgage that the Bank purchases from the PFI which is owned by the PFI prior to such purchase and owned by the Bank after such purchase and which was previously made or purchased by the PFI.

(g) "Confirmation". A writing or machine- or electronically-generated transmission issued by the Bank confirming the Bank's purchase of one or more mortgages and which shall evidence the Bank's ownership of such mortgage(s), in a form as specified in the Guides.

(h) "Contract". This document as referenced in the opening clause as this Contract, any addenda attached hereto or amendments hereto, and the documents incorporated by reference, which are the Guides, the Master Commitments issued under this Contract, Delivery Commitments issued pursuant to such Master Commitments and, if issued, the MPF Program Requirements, and any amendments or supplements of any of the foregoing.

(i) "Credit Enhancement". The PFI's obligations under Article IV of this Contract, including without limitation, the Actual Credit Enhancement and Remaining Credit Enhancement for all Mortgages delivered by the PFI to the Bank under this Contract, and, if applicable, Mortgages serviced for the Bank.

(j) "Credit Enhancement Fee". A fee payable monthly by the Bank to the PFI in consideration of the PFI's Credit Enhancement obligation to fund the Realized Loss for a Master Commitment, based upon the fee rate applicable to such Master Commitment and subject to the terms of the Master Commitment and applicable MPF Mortgage Product, which may include performance and risk participation features as to such Credit Enhancement Fee.

(k) "DDA". A depository account established by the PFI at the Bank which is used for processing transactions under this Contract.

(l) "Delivery Commitment". The commitment of the parties, evidenced by a writing or a machine- or electronically-generated transmission issued by the Bank to the PFI accepting the PFI's oral delivery commitment offer made from time to time under this Contract and in accordance with the provisions of the Guides. Pursuant to the Delivery Commitment, the PFI commits to deliver mortgages to the Bank that satisfy the terms set forth in the Delivery Commitment within the period set forth therein, and the Bank commits to purchase such mortgages in accordance with the provisions of the Guides.

(m) "First Loss Account". A contingent liability account established by the Bank for each Master Commitment based on and in the amount required under the applicable MPF Mortgage Product description. This account is the liability of the Bank with respect to Realized Losses arising under such Master Commitment.

(n) "Indemnified Party". Each of the Bank, any Participant, and each of their respective successors and assigns, and each of their respective shareholders, directors, officers, employees and agents.

(o) "Master Commitment". A document (including any addenda or attachments thereto) executed by the PFI and the Bank in accordance with the Guides, which provides the terms under which the PFI will deliver mortgages to the Bank.

(p) "mortgage / mortgage loan". A residential mortgage loan which is evidenced by a mortgage note. The term also includes, as the context requires, the mortgage note, the security instrument which secures the loan and the evidence of title to the mortgaged property.

(q) "Mortgage / Mortgage Loan". A mortgage loan delivered to the Bank or serviced by the PFI for the Bank under the MPF Program.

(r) "Mortgage Records". All books, records and information (including, without limitation, any item in electronic form) reasonably required to document or properly service any mortgage originated, sold or serviced by the PFI to or for the Bank.

(s) "MPF Program Requirements". Requirements with respect to the MPF Program which may be established and as amended from time to time by the Bank, which are intended to govern certain aspects of the relationship of the PFI and the Bank in addition to the rights and duties set forth in this Contract and the Guides.

(t) "Origination and Sales Provisions". The provisions contained in Articles III and IV of this Contract under which mortgages may be purchased by the Bank.

(u) "Participant". A Person who acquires an ownership or a participation interest in some or all of the Mortgages delivered or serviced by the PFI to or for the Bank.

(v) "Person". Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization, government or any agency or political subdivision thereof.

(w) "PFI". The participating financial institution referenced in the opening clause of this Contract which signs this Contract, and its successors and assigns.

(x) "PFIs". Two or more financial institutions that are participating in the MPF Program, whether members of the Bank or any other MPF Bank(s).

(y) "Prior Contract." If applicable, the MPF Program Participating Financial Institution Agreement as referenced in Section 1.1 (f) of this Contract previously executed by the PFI and the Bank or another MPF Bank.

(z) "Principal Officers". Those officers of the PFI (i) that are "Reporting Persons" under Section 16 of the Securities and Exchange Act of 1934 and/or (ii) that have a critical influence on or substantive control over any material aspect of the PFI's mortgage origination or servicing operation or any function related to such operations.

(aa) "Property" or "Mortgaged Property". The property that is subject to a Mortgage or, where the Mortgage has been foreclosed or the Servicer has taken title to the property on the Bank's behalf that was subject to such Mortgage.

(bb) "Realized Loss". With respect to a Conventional Mortgage, the loss incurred or arising from the default of such Mortgage (after application of any applicable governmental or private primary mortgage insurance or guaranties, but not including any Supplemental MI Policy) as determined in accordance with the Guides and prior to any payments or allocations under Article IV of this Contract. With respect to a Government Mortgage, the loss incurred in connection with any default, whether on the part of the Borrower or the PFI that is not covered by FHA Insurance, VA Guaranty or other governmental insurance nor included in the Unreimbursed Servicing Expenses.

(cc) "Remaining Credit Enhancement". At any time, the PFI's obligation with respect to a Master Commitment in an amount equal to the Actual Credit Enhancement less the Realized Loss paid by the PFI pursuant to Section 4.5 of this Contract.

(dd) "Replacement Contract". Any agreement or combination of agreements made by the Bank to substitute an obligor or obligors with respect to the PFI's Credit Enhancement, including without limitation, a substitute credit enhancement structure, acceptable (in the Bank's sole discretion) to the Bank, which obligors may include, but are not limited to, one or more other PFIs, mortgage guaranty insurers, surety companies or any other type of entity or structure that will result in the Bank having the equivalent quality and amount of credit enhancement coverage as provided by the PFI under Article IV with respect to each Master Commitment.

(ee) "Servicer". The PFI, in its capacity as a servicer of Mortgages under this Contract.

(ff) "Spread Account". A name for the First Loss Account initially used in the MPF Program.

(gg) "Supplemental MI Policy". With respect to a Master Commitment, any and all supplemental or pool mortgage guaranty insurance policies in addition to private primary mortgage insurance.

(hh) "Unreimbursed Servicing Expenses". Those expenses incurred by the Servicer or its designee in connection with any defaulted Mortgage that are not reimbursed by the FHA Insurance, by the VA Guaranty or by any other government agency under the terms of any other governmental insurance or guaranty (including, without limitation, all advances made by the Servicer to the Bank to pay all principal thereon and interest through the month of repayment or repurchase of the Mortgage or in which the disposition of the Mortgaged Property occurs, or as may be required to obtain the benefit of FHA Insurance, VA Guaranty or other governmental insurance or guaranty). Unreimbursed Servicing Expenses are customarily incurred by servicers of government mortgages securitized through Ginnie Mae. Losses with respect to Mortgages repurchased by the PFI from the Bank are the responsibility of the PFI.

II. ELIGIBILITY REQUIREMENTS TO SELL MORTGAGES

For the PFI to sell mortgages to the Bank, the PFI must satisfy the eligibility requirements specified in this article.

2.1. General Requirements. These are the general requirements the PFI must meet to be eligible to sell mortgages to the Bank:

(a) Meet the Bank's Standards. The PFI must have and maintain as one of its principal business purposes the origination or purchase of mortgages of the type that the PFI will sell to the Bank under this Contract. In addition, the PFI, must, at all times, have the capacity to originate or purchase mortgages that meet the MPF Program standards and the standards generally imposed by other GSEs and private institutional mortgage investors. The PFI must, at all times, satisfy the applicable requirements for PFIs to originate or sell mortgages set forth in the Guides and, if issued, comply with the MPF Program Requirements.

(b) Have Qualified Staff and Adequate Facilities and Systems. The PFI must, at all times, employ personnel or agents who are well trained and qualified to perform the functions required under Articles III and IV of this Contract, and maintain facilities and systems that are able to perform its functions under Articles III and IV of this Contract.

(c) Maintain Fidelity Bond and Errors and Omissions Coverage. The PFI must maintain, at its own expense, a fidelity bond and errors and omissions insurance, as required by the Guides.

(d) Report Basic Changes. The PFI must notify the Bank promptly in writing of any material changes that occur in its or its agents' principal purpose, activities, manner of originating or acquiring mortgages, ownership, financial condition, staffing, facilities, fidelity bond or errors and omissions insurance, which changes adversely affect the PFI's ability to perform its obligations under this Contract.

2.2 Ownership and Status of PFI. In approving a PFI in connection with the obligations of Articles III and IV, the Bank relies on the information the PFI has provided about the eligibility, qualifications and financial status of the PFI and its owners. The PFI covenants and agrees to comply with the provisions of the Guides and, if issued, the MPF Program Requirements regarding these matters, including, without limitation, the delivery of notices regarding these matters as required by the Origination Guide. Changes in any such matters may affect the PFI's eligibility to sell mortgages to the Bank.

2.3. Financial Information. In order to become and remain a PFI approved to originate or sell mortgages under this Contract, the PFI agrees to provide the financial information required by the Guides and, if issued, MPF Program Requirements from time to time and the PFI shall, at all times, satisfy the standards set forth in the Guides and the MPF Program Requirements. The PFI agrees that the Bank may make such information available to the MPF Provider and to Participants or potential Participants.

2.4. Access to PFI's Records. As set forth in the Guides, the PFI agrees to permit, and cause its agents to permit, the Bank's employees and designated representatives to examine or audit books, records and information pertaining to the Mortgages.

III. ORIGINATION AND SALE OF MORTGAGES

This article contains the basic rules governing the origination of mortgages and the sale of mortgages to the Bank. The PFI hereby agrees as follows:

3.1. Governing Contractual Provisions. The origination and sale of each Mortgage will be governed by:

(a) this Contract;

(b) the Guides in effect on the day a written or electronic commitment is issued to the Borrower for the loan evidenced and secured by the Mortgage, except if no commitment is issued to the Borrower, then the Guides in effect on the day the Mortgage is closed;

(c) the applicable Master Commitment;

(d) the applicable Delivery Commitment;

(e) the Confirmation issued by the Bank at the time it purchases the Mortgage; and

(f) if issued by the Bank, the MPF Program Requirements in effect on the day the applicable Master Commitment is issued or as otherwise specified in the MPF Program Requirements.

3.2. Eligible Mortgages. The PFI will only sell to the Bank mortgages which satisfy the requirements set forth herein and in the Guides on the day a written or electronic commitment is issued to the Borrower for the loan evidenced and secured by the mortgage, except with respect to any mortgage for which no commitment is issued to the Borrower, in which case the Guides in effect on the day the mortgage is closed shall govern.

3.3 Master Commitment.

(a) General. Mortgages will be sold to the Bank under Master Commitments. The PFI commits to use its best efforts to sell to the Bank mortgages satisfying the terms of the Master Commitment within the estimated period for the delivery of such mortgages set forth in the applicable Master Commitment, as such estimated period may be modified in accordance with the Guides.

(b) Execution of Master Commitments. From time to time, the Bank and the PFI may jointly elect in writing to enter into one or more Master Commitments. There can be more than one Master Commitment outstanding at any time.

(c) Types of Mortgages. Though various types of mortgages may be sold under the MPF Program, only the types of mortgage permitted for a given MPF Mortgage Product, as described in the Guides, may be included in a Master Commitment for that MPF Mortgage Product.

(d) First Loss Account Information. Each Master Commitment shall have its own First Loss Account (formerly known as a Spread Account) as described in Section 4.1, the amount of which shall be determined in accordance with the Guides, including without limit, the product description for the MPF Mortgage Product applicable to such Master Commitment, and the terms of the Master Commitment.

(e) Allocation of Delivery Commitments to a Master Commitment. The PFI shall identify the Master Commitment for which it makes a Delivery Commitment offer, and such offer must be consistent with the then unused amount of such Master Commitment. The Bank, in its sole discretion, may accept any Delivery Commitment offer which acceptance may be oral but in all cases shall be evidenced by a written or electronic confirmation of such Delivery Commitment thereby allocating it to the identified Master Commitment. Unless the Bank approves and the MPF Provider processes a waiver of this limitation, once a Delivery Commitment is allocated to a Master Commitment such Delivery Commitment shall not be reallocated to another Master Commitment.

(f) Allocation of Mortgages to a Delivery Commitment. Each Mortgage must be consistent with the then unallocated amount under an outstanding Delivery Commitment, which shall be identified by the PFI with respect to such Mortgage, as a condition to the Bank purchasing the Mortgage. Upon purchase, such Mortgage shall be allocated to the specified Delivery Commitment, and the Bank shall issue a Confirmation with respect thereto. Upon such allocation, such Mortgage shall not be reallocated to another Delivery Commitment.

(g) Mandatory Delivery Commitments; Pairoff Fees. The PFI's failure to meet its commitment to deliver mortgages in an amount equal to, and prior to the expiration of, a Delivery Commitment may result in the assessment of a Pairoff Fee. The MPF Provider shall calculate the amount of any Pairoff Fee in accordance with the Origination Guide, which amount shall be payable by the PFI to the Bank as provided in the Origination Guide. In no event shall the Bank be obligated to pay a Pairoff Fee to the PFI.

3.4. Purchase Price.

(a) For each Closed Mortgage delivered under this Contract, the PFI shall be paid the purchase price determined as provided in the Origination Guide or separate agreement with the Bank. The MPF Provider will publish the purchase price for any particular Mortgage, which may be at par, at a premium or a discount, based upon the applicable Delivery Commitment and rate and fee schedule, all as more fully described in the Origination Guide. The price schedule for different types of Mortgages may be different, and the price schedule for a particular type of Mortgage may change daily or more often.

(b) Nothing in this Section 3.4 or any other provision of this Contract shall obligate the Bank to publish prices or shall prohibit the Bank from withdrawing any published prices prior to accepting any Delivery Commitment offer. Payment of the purchase price for each Closed Mortgage under this Contract shall be made by the Bank crediting the PFI's DDA as provided in the Guides.

(c) In the event that the Bank is not opened for business on a Business Day and the PFI has outstanding Delivery Commitments under which it desires to deliver mortgages to the Bank on that Business Day but the PFI is unable to access its DDA, the PFI may nonetheless process the settlement of such Delivery Commitments with the MPF Provider as if the purchase price for the mortgages being sold to the Bank had been deposited to the PFI's DDA. The Bank agrees that the first day on which it opens for business after such settlement date, the Bank will credit the amount of such purchase price to the PFI's DDA plus interest on the purchase price at the Fed Funds Rate from the settlement date through such deposit date. For purposes of the Contract, the term "Fed Funds Rate" shall mean, for any day, a rate equal to the weighted average rate the Bank earns on its overnight investments in the federal funds market, determined as of the close of business for that day. Except for the payment of interest on the purchase price as provided in this Section 3.4, the Bank shall have no liability to the PFI with respect to the delivered mortgage loans due to the PFI's inability to access its DDA on any Business Day that the Bank is not opened for business.

3.5. The Bank Has No Obligation to Commit. The fact that the Bank has executed or delivered this Contract or any Master Commitment does not mean that the Bank must accept any offer for a Delivery Commitment or make a commitment to purchase any mortgage through or from the PFI.

3.6. PFI's Role as Mortgage Seller and Servicer.

(a) This Section 3.6 (a) shall be applicable to all Closed Mortgages. The PFI shall owe the Bank fiduciary duties in the origination, selling and servicing of the Mortgages, with respect to (i) the handling of money, (ii) the handling of Mortgage Documents, and (iii) compliance with Applicable Laws in the origination, sale and servicing of the Mortgages. The PFI shall originate or acquire all such Mortgages under this Contract in its own name and transfer such Mortgages to the Bank in accordance with the Origination Guide. Except for any Mortgages the PFI repurchases under Section 5.5, the PFI acknowledges and agrees that at no time will it or any other Person (other than the Bank, the Participants and their respective successors and assigns) have any interest in Closed Mortgages purchased under this Contract after the sale of such Mortgages to the Bank.

(b) The Bank's interest in all Mortgages delivered under this Contract shall be evidenced by a Confirmation that shall conclusively establish the Bank's ownership of the Mortgages. Section 5.5 of this Contract specifies certain circumstances in which the PFI may be obligated to purchase or repurchase a Mortgage from the Bank. Except for any Mortgages the PFI purchases or repurchases under Section 5.5, the PFI will take all action necessary to protect the rights of the Bank, the Participants and their respective successors and assigns in the Mortgages delivered under this Contract against any other Person claiming any interest arising by, through or under the PFI and/or any prior holder of the Mortgages.

3.7 Intent of the Parties. It is the intent of the Bank and the PFI that the acquisition by the Bank of all the Closed Mortgages that are sold under the terms of this Contract shall be deemed for all purposes to be a sale and not a borrowing by the PFI secured by such Closed Mortgages. Each of the parties agrees for the benefit of the other party that it shall treat the conveyance of the Mortgages hereunder as a sale by the PFI and a purchase by the Bank, respectively.

IV. CREDIT ENHANCEMENT; REALIZED LOSSES

4.1. First Loss Account (Spread Account) for Conventional Mortgages.

(a) Establishment. In accordance with the MPF Mortgage Product terms and the Master Commitment, the Bank shall assume liability for a certain amount of Realized Loss (the "First Loss Account", formerly known as the "Spread Account") arising under each Conventional Mortgage Master Commitment. The First Loss Account functions as a deductible for the Credit Enhancement provided by the PFI or credit enhancement obligations undertaken by other Persons. The First Loss Account is the responsibility of the Bank.

(b) Allocations. The Bank shall determine the amount of the First Loss Account for each Master Commitment, which amount may be calculated on a monthly basis, or at the time the Mortgages are delivered under such Master Commitment, or as otherwise agreed between the parties, in accordance with the terms of the Guides and such Master Commitment.

(c) Losses. Without limiting the provisions of Section 4.6, all Realized Loss on Conventional Mortgages (and related REO properties) up to the amount of the First Loss Account for a Master Commitment will be the responsibility of the Bank in accordance with the provisions of Section 4.3 below.

4.2. Credit Enhancement Obligations.

(a) The PFI hereby agrees to pay to the Bank an amount equal to the Realized Loss for the Mortgages delivered under each Conventional Mortgage Master Commitment which exceeds the available First Loss Account but in no event shall such amount exceed, in the aggregate, the lesser of (i) the Actual Credit Enhancement for such Master Commitment or (ii) any other limitations in the applicable MPF Mortgage Product terms and/or as may be specified in the Master Commitment.

(b) For certain conventional MPF Mortgage Products, the amount of the Maximum Credit Enhancement will be set at execution of the Master Commitment and for other conventional MPF Mortgage Products it will be an amount equal to a specified percentage of the Mortgages delivered under the Master Commitment. The Maximum Credit Enhancement is the PFI's maximum liability for Realized Loss with respect to the pool of Mortgages to be delivered under any Master Commitment for which a Maximum Credit Enhancement is stated. The Bank and the PFI may from time to time modify the Maximum Credit Enhancement in accordance with the Guides. As individual Mortgages are assigned to Delivery Commitments, the Bank in accordance with the Guides will calculate the Actual Credit Enhancement required for such Master Commitment including such Delivery Commitments. In no case shall the Actual Credit Enhancement exceed the then outstanding Maximum Credit Enhancement for any pool. When the Master Commitment is closed to further Delivery Commitments and all Delivery Commitments allocated to such Master Commitment have either expired or been funded, the Actual Credit Enhancement calculated by the Bank in accordance with the Guides shall become the Remaining Credit Enhancement, which Remaining Credit Enhancement shall be reduced over time as payments are made by the PFI to the Bank with respect to Realized Loss, and as may be adjusted from time to time by the Bank in accordance with the terms of the Master Commitment.

(c) The PFI agrees that the Bank may obtain a Replacement Contract should the Bank reasonably and in good faith determine that (i) the value of the PFI's Credit Enhancement has become impaired, (ii) an event pertaining to the PFI has occurred which results in the Mortgages delivered under the Master Commitment not having an equivalent credit enhancement to "AA" as determined by the MPF Program rating system, or (iii) that a material adverse change has occurred in the financial condition of the PFI or in any collateral pledged by the PFI, excluding the Mortgages, to secure its obligations under this Contract or the Advances Agreement. In the event the Bank exercises its rights to obtain a Replacement Contract under this Section 4.2 (c) then as of that date, the Bank shall have all the rights provided in Section 10.2 (b) of this Contract. The Bank's exercise of its right to obtain a Replacement Contract shall not affect, limit or be deemed to satisfy any prior or outstanding claim against a PFI for a Realized Loss.

4.3. Allocation of Realized Loss and Unreimbursed Servicing Expenses.

(a) Conventional Mortgages – Realized Loss. This Section 4.3 (a) shall be applicable to all Conventional Mortgages except as may be otherwise specified in the Master Commitment. Upon the Bank's receipt of notification from the Servicer of the amount of a Realized Loss as provided in Section 4.4 below, such Realized Loss (after application of any applicable governmental or private primary mortgage insurance or guaranties) will be allocated to, and paid or incurred by, the following Persons in the following order of priority:

(i) First, by the Bank up to the amount of the First Loss Account except to the extent that all or any part of such Realized Loss is covered under any Supplemental MI Policy;

(ii) Second, any Realized Loss that is covered under any Supplemental MI Policy (i.e., a Realized Loss in excess of the deductible for such Supplemental MI Policy), by the issuer of the Supplemental MI Policy as insurance proceeds, until the benefits available under the Supplemental MI Policy have been paid in full;

(iii) Third, any Realized Loss, which when aggregated with all prior Realized Loss, is in excess of the First Loss Account and is not covered by any Supplemental MI Policy, up to the amount of the PFI's Remaining Credit Enhancement for the Master Commitment, by the PFI and remitted as provided in Section 4.5 below; and

(iv) Finally, any Realized Loss remaining after the application set forth in clauses (i) through (iii) of this Section 4.3 (a) shall be allocated directly to the Bank.

If the First Loss Account for a Master Commitment increases over time, it is possible that such First Loss Account could be fully applied to Realized Loss at a given point in time but that subsequent credits to the First Loss Account would be available to cover future Realized Loss. No subsequent credits to the First Loss Account will be used to reimburse the PFI for Realized Loss previously incurred and paid by the PFI under clause (iii).

(b) Government Mortgages – Realized Loss. This Section 4.3 (b) shall be applicable to all Government Mortgages. The PFI as the Servicer shall be responsible for any and all Unreimbursed Servicing Expenses for any Government Mortgage (after application of all applicable FHA Insurance, VA Guaranty or other government insurance or guaranty) in accordance with Section 7.1(d) below, and therefore no losses with respect to a Government Mortgage are payable by the Bank except as may expressly be agreed to in writing by the Bank. However, should the Bank incur any Realized Loss arising from the PFI's default as Servicer of the Mortgages, such Realized Loss will be subject to the provisions of Section 7.4. The Bank may create a First Loss Account in an amount established for the applicable MPF loan product applicable to any Realized Loss the Bank might incur, but such First Loss Account shall not be available to pay or reimburse the PFI as the Servicer for Unreimbursed Servicing Expenses.

4.4. Procedure for Making Claims against the First Loss Account. In the event that the Servicer or any other applicable mortgage loan servicer determines that there is a Realized Loss with respect to a Conventional Mortgage or REO, the Servicer or such other mortgage loan servicer will promptly deliver a written notice as specified in the Servicing Guide and the Bank shall charge the applicable First Loss Account with the amount as provided for in the Servicing Guide, except to the extent that the Bank disputes the existence or determination of any Realized Loss or the amount thereof or the process related thereto, in which event the Bank's determination of Realized Loss shall control. The Servicer or any other applicable mortgage loan servicer shall be reimbursed for such portion of the Realized Loss chargeable to the First Loss Account to the extent that such Servicer or other mortgage loan servicer has previously advanced such funds to the Bank.

4.5. Procedure for Making Claims against the PFI. If a notice of Realized Loss delivered pursuant to Section 4.4 includes an amount to be paid by the PFI pursuant to Section 4.3 (a) (iii) above and the PFI has not already advanced all of such amount to the Bank, the Bank shall immediately debit from the PFI's DDA that part of such amount not previously advanced. Further, in the event that the PFI fails to pay any amounts it is required to pay under this Contract at such time as it is required to do so, then at such time or thereafter, the Bank may debit such amounts from the PFI's DDA, and if such amounts are payable to a third party, to make the payment on behalf of the PFI, and if such amounts are payable to the Bank, to retain such amounts. In the event that any such debit from the PFI's DDA shall cause the balance in such account to become negative, such deficit shall be subject to the overdraft provisions of the depository agreement between the PFI and the Bank, which may include, without limitation, treating such overdraft as an advance under the Advances Agreement. In the event of the breach by the PFI of its obligation to make any payment due under this Contract, the Bank shall have all rights available at law or in equity, including specifically, but not limited to, (x) the right to terminate, in whole or in part, the rights of the PFI under this Contract, (y) the right of set-off against any funds of the PFI held by, or at, the Bank and (z) the right to realize upon any collateral pledged to the Bank to secure the PFI's obligations to the Bank.

4.6. Credit Enhancement Fees. For each Master Commitment, in consideration of the obligation of the PFI to fund a Realized Loss pursuant to Section 4.3(a) (iii), the Bank shall pay to the PFI monthly a Credit Enhancement Fee determined in accordance with the Guides, based upon the Credit Enhancement Fee rate applicable to such Master Commitment, subject, however, to the terms of the MPF Mortgage Product and Master Commitment which may include, but are not limited to, performance or risk participation features or a delay in payment of such Credit Enhancement Fees.

4.7. Credit and Collateral for the PFI's Obligations. The PFI shall pledge collateral pursuant to the terms and conditions of the Advances Agreement to secure its Credit Enhancement. As security for its Credit Enhancement together with all other obligations of the PFI arising under this Contract, the PFI, pursuant to the Advances Agreement, assigns, transfers, and pledges to the Bank, and grants to the Bank, a security interest in collateral identified, by category, by specific item or otherwise, by the PFI. The Credit Enhancement and all other obligations of the PFI under this Contract shall be an obligation arising under and secured pursuant to the Advances Agreement, and deemed to be Indebtedness or Liabilities (if either term is used in the Advances Agreement) of the PFI and an extension of credit by the Bank pursuant to the Advances Agreement. The PFI shall at all times maintain an adequate amount of pledged collateral for its Credit Enhancement, which amount shall be determined by the Bank, taking into account other credit obligations of the PFI secured pursuant to the terms and conditions of the Advances Agreement. It is understood and agreed, notwithstanding any other provision of this Contract or any pledge of collateral for a particular purpose, that all collateral, and proceeds thereof, in which the Bank has a security interest secures any and all indebtedness or liability of the PFI to the Bank arising under any agreement with the Bank as more fully provided in the Advances Agreement and in Section 4.8 of this Contract. Notwithstanding the foregoing provision of this Section 4.7, the collateral and security interest granted hereunder shall not be deemed in any manner to evidence that the delivery of the Mortgages hereunder is a secured borrowing as opposed to a true sale. The PFI agrees that until all Mortgages serviced or credit enhanced under this Contract are repaid or otherwise disposed of, the PFI will continue to provide the Bank with financial information as required by the Guides, the MPF Program Requirements and the Bank from time to time, and to notify the Bank promptly in writing of any material changes that occur in the PFI's financial condition. The PFI further agrees that the Bank may provide such financial information to the MPF Provider and other Participants or potential Participants in the Mortgages. Further, the PFI represents and warrants to the Bank that the PFI has the full power and authority to provide the Credit Enhancement required under this Article IV, and has duly authorized such Credit Enhancement as more particularly described in Section 5.2 (b).

4.8. Right of Setoff and Grant of Security Interest. To secure any and all indebtedness or liability of the PFI to the Bank under this Contract and under any other agreement with the Bank, however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent, due or to become due, the PFI hereby assigns, transfers, and pledges to the Bank and grants to the Bank a first priority security interest in (i) all balances, credits, deposits, moneys, and drafts now or hereafter in the deposit account(s) or any other account that the PFI may maintain with the Bank, (ii) all collateral provided by the PFI from time to time as described in Section 4.7 above, and (iii) any rights accruing to the PFI under the terms of this Contract including, without limitation, servicing rights with respect to the Mortgages delivered and/or serviced under this Contract; and the Bank is authorized to charge such indebtedness or liability against the deposit account(s), or any other account or such other collateral, whether or not the same is then due. The Bank shall notify the PFI of any actions taken pursuant to this Section 4.8, but such notification shall not be a condition precedent to the right of the Bank to take any such action. The Bank shall have all other rights available at law or in equity with respect to the right of setoff and the security interest provided in this Section 4.8. The PFI hereby authorizes the Bank to create and file such Uniform Commercial Code financing statements and take such other action from time to time as the Bank deems necessary and appropriate to perfect and maintain the perfection of the Bank's security interest and rights under this Section 4.8. Further, the PFI agrees, at its cost, to (i) execute and deliver to the Bank such specific pledge or security agreement as is provided in the Guides, the MPF Program Requirements or required by the Bank, and (ii) execute, deliver and file such Uniform Commercial Code financing statements and take such other action from time to time as the Bank may reasonably request to perfect and maintain the perfection of the Bank's security interest and rights under this Section 4.8. Notwithstanding the provisions of Section 19.3, the perfection and priority of any security interest granted by the PFI to secure the PFI's obligations under this Contract shall be governed by the laws of the relevant jurisdiction determined in accordance with the applicable provisions of the Uniform Commercial Code in effect in the state where the Bank is located.

V. ORIGINATION OF MORTGAGES - PFI'S WARRANTIES

5.1. General. The PFI makes certain warranties to the Bank set forth in Sections 5.2 and 5.3. These warranties:

(a) apply to each Closed Mortgage and each Acquired Mortgage;

(b) are made as of the date hereof, except for warranties under Section 5.3 with respect to Mortgages originated after the date hereof, which are made with respect to each Mortgage, (i) as of the date of sale to the Bank of each Closed Mortgage and, (ii) for all other Acquired Mortgages, as of the date the PFI acquires the servicing for such Acquired Mortgage;

(c) made under Section 5.2 and the warranties made under Section 5.3 (a), (b), (c), (e), (h), (n) and (t) are made each day thereafter until this Contract expires (which shall be the date on which all of the Mortgages delivered or serviced under this Contract are repaid in cash, liquidated, purchased or repurchased by the PFI, or the Mortgaged Properties are disposed of and all proceeds are reduced to cash), provided, however, that representations under Section 5.3 (a) shall not be deemed to be a representation that the Mortgage is not in default after the date of sale;

(d) are for the benefit of the Bank and any Participants, and its and their respective successors and assigns;

(e) include the warranties set forth in the Guides; and

(f) survive the termination of this Contract, unless the Bank agrees in writing to an earlier termination.

Warranties may be waived, but only by the Bank in a writing duly executed and delivered by the Bank.

5.2. General PFI Warranties. The PFI makes each of the representations and warranties set forth below regarding the PFI:

(a) It is duly organized, validly existing and in good standing under the laws governing its creation and existence, and has full corporate power and authority to own its property, to carry on its business as presently conducted and to enter into and perform its obligations under this Contract;

(b) The execution, delivery and performance by it of this Contract have been duly authorized by all necessary action on its part, including approval of its board of directors and such approval is duly and properly recorded in the minutes, books and records of the PFI and a copy of this Contract is maintained in the official records of the PFI. Neither the execution and delivery of this Contract by it, nor the consummation by it of the transactions herein contemplated, nor compliance by it with the provisions hereof, will conflict with or result in a material breach of, or constitute a material default under (i) any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on it or its properties; (ii) its organizational documents or by-laws; or (iii) the terms of any material indenture or other agreement or instrument to which it is a party or by which it is bound. Neither it nor any of its Affiliates is a party to, bound by, or in breach of or violation of any indenture or other agreement or instrument, or subject to or in violation of any statute, order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over it, which materially and adversely affects or to its knowledge may in the future materially and adversely affect its ability to perform its obligations under this Contract or its business, operations, financial condition, properties or assets;

(c) The execution, delivery and performance by it of this Contract and the consummation of the transactions contemplated hereby do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any state, federal or other governmental authority or agency, except such as has been obtained, given, effected or taken prior to the date hereof;

(d) This Contract has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium and other similar laws affecting the enforcement of creditors' rights in general and by general equity principles, regardless of whether such enforcement is considered in a proceeding in equity or at law;

(e) There are no actions, suits or proceedings pending or, to its knowledge, threatened against or affecting it, before or by any court, administrative agency, arbitrator or governmental body (i) with respect to any of the transactions contemplated by this Contract or (ii) with respect to any other matter which in its judgment will be determined adversely to it and will, if determined adversely to it, materially and adversely affect it or its business, assets, operations or condition (financial or otherwise) or materially and adversely affect its ability to perform its obligations under this Contract;

(f) The PFI has all licenses, permits, authorizations, approvals and consents of all governmental authorities required in order for it to originate, purchase, hold and sell the Mortgages, and in all cases, to service the Mortgages;

(g) The PFI satisfies all requirements set forth in the Guides and, if applicable, the MPF Program Requirements to be an eligible Mortgage originator, an eligible Mortgage seller and an eligible Mortgage servicer;

(h) The PFI is in compliance with all Applicable Laws;

(i) The PFI is solvent and no event has occurred or is contemplated to occur (based on facts presently known to the PFI) which event would have a material adverse impact on the financial condition of the PFI or the ability of the PFI to perform its obligations hereunder and under the Guides; and

(j) The PFI understands the nature and structure of the transactions contemplated under this Contract; it is familiar with all of the documents and instruments relating to such transactions; it understands the risks inherent in such transactions, including, without limitation, the risk of loss related to the PFI's Credit Enhancement, if any, with respect to Mortgages delivered to the Bank under this Contract; and it has not relied on the Bank for any guidance or expertise in analyzing the financial, accounting, tax or other consequences of the transactions contemplated by this Contract or otherwise relied on the Bank in any manner.

5.3. Specific Mortgage Representations, Warranties and Covenants. The PFI makes each of the following specific representations and warranties with respect to each Mortgage and each Property, and, where applicable, covenants as follows:

(a) Mortgage Meets Requirements. The Mortgage conforms to all of the applicable requirements in the Guides, this Contract and Applicable Laws.

(b) PFI Authorized to Do Business. The PFI and any other party involved in the origination of the Mortgage, at all applicable times:

(1) were authorized to transact business in all applicable jurisdictions, including, without limitation, the jurisdiction where the Property is located, unless at all such times, such authorization to transact business was not required, based upon the activities of the PFI or other relevant party, as the case may be;

(2) possessed all licenses, permits and approvals required by all Applicable Laws, including, without limitation, all Applicable Laws of the jurisdiction where the Property is located; and

(3) complied with all Applicable Laws.

(c) PFI has Full Right to Originate, Sell or Service. The PFI has, and in the case of any Acquired Mortgage, every prior holder of any interest in such Mortgage or prior servicer has, full power and authority to originate, purchase, sell and service the Mortgage, and each has duly authorized the origination or purchase and sale and servicing of the Mortgage. The PFI has not, and in the case of any Acquired Mortgage, no prior holder of any interest in such Mortgage or prior servicer has, granted to any Person other than the Bank any interest in the Mortgage or the right to fund or hold the Mortgage, or any interest therein except as authorized in this Contract. In addition, neither the PFI's nor any prior holder's nor any prior servicer's right, power and authority to originate or purchase and sell, and service the Mortgage is subject to any other Person's interest, consent or approval or to any agreement with any other Person.

(d) Lien on Property. The Mortgage is a valid and subsisting perfected first lien and security interest on the Property described in it, and the Property is free and clear of all encumbrances and liens having priority over it except for (i) liens for real estate taxes, and liens for special assessments, that are not yet due and payable, (ii) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording, acceptable to mortgage lending institutions generally and (iii) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Property.

(e) Documents are Valid and Enforceable. All documents and instruments constituting a part of the Mortgage have been properly signed and delivered, are legal, valid and binding obligations of the Persons purporting to be parties thereto, enforceable in accordance with their respective terms, subject only to bankruptcy laws, Servicemembers Civil Relief Acts, laws relating to administering decedents' estates and general principles of equity.

(f) Property Not Subject to Liens. The Property is free and clear of all mechanics' liens, materialmen's liens or similar liens and there are no rights outstanding that could result in any of such liens being imposed on the Property. The PFI does not make the warranty in this subsection (f) if the PFI furnishes the Bank with a title insurance policy in an amount and in a form acceptable to the Bank and issued by a title insurance company acceptable to the Bank that gives the Bank substantially the same protection as this warranty.

(g) Title Insurance. There is a mortgagee title insurance policy or other title evidence acceptable to the Bank, on the Property. The title insurance policy is in a current ALTA form (or other generally acceptable form) issued by a title insurance company satisfying the standards set forth in the Guides, is in an amount equal to the maximum principal amount of the Mortgage and includes all title endorsements required by the Guides. The title insurance insures (or the other title evidence protects) the Bank or the PFI (pursuant to Section 3.6), as holding a first perfected lien against the Property.

(h) Modification or Subordination of Mortgage. Except and only to the extent as expressly consented to by the Bank in a writing signed and delivered by the Bank, the PFI has not done, and in the case of any Acquired Mortgage, no prior servicer or holder of any interest in such Mortgage has done, any of the following, except as may be necessary to reform the Mortgage documents for the purpose of correcting or conforming such Mortgage documents to accurately reflect the Mortgage transaction:

(1) materially modified or waived any provision of the Mortgage;

(2) satisfied or canceled the Mortgage in whole or in part;

(3) subordinated the Mortgage in whole or in part;

(4) released the Property in whole or in part from the Mortgage lien; or

(5) signed any release, cancellation, modification or satisfaction of the Mortgage.

(i) Mortgage in Good Standing. There is no default (or event or occurrence which, with notice or lapse of time or both, if uncured, would constitute a default) under the Mortgage, and all of the following that have become due and payable have been paid:

(1) taxes;

(2) governmental and other assessments;

(3) insurance premiums;

(4) water, sewer and municipal charges;

(5) leasehold payments; and

(6) ground rents.

(j) Advances. The PFI has not, and in the case of any Acquired Mortgage, no prior servicer or holder of any interest in such Mortgage has, made or knowingly received from others, any direct or indirect advance of funds in connection with the loan transaction on behalf of the Borrower except as provided in the Guides. This warranty does not cover payment of interest out of proceeds of the Mortgage for the period commencing on the earliest of:

(1) the date of the Mortgage Note; or

(2) the date on which the Mortgage proceeds were disbursed; or

(3) the date one month before the first installment of principal and interest on the Mortgage is due,

and ending on the last day of the month in which such date occurs, by the PFI, and in the case of any Acquired Mortgage, by the initial servicer or holder of such Mortgage.

(k) Property Conforms to Zoning Laws. The PFI has no, and in the case of any Mortgage which the PFI purchased or acquired the servicing for, no prior servicer or holder of any interest in such Mortgage has any, knowledge that any improvement to the Property is in violation of any applicable zoning law or regulation.

(l) Property Intact. The Property is not damaged by fire, wind or other cause of loss. There are no proceedings pending or, to the best of the PFI's knowledge, and in the case of any Mortgage which the PFI purchased or acquired the servicing for, to the best of each prior servicer's and holder's knowledge, threatened, for the partial or total condemnation of the Property.

(m) Improvements. Any improvements that are included in the appraised value of the Property are totally within the Property's boundaries and building restriction lines. No improvements on adjoining Property encroach on the Property unless the Guides permit such an encroachment.

(n) Mortgage Not Usurious. The Mortgage is not usurious and either meets or is exempt from all applicable usury laws or regulations.

(o) Compliance With Applicable Laws. The PFI and, in the case of any Acquired Mortgage, every prior holder and servicer of the Mortgage has complied with all Applicable Laws in connection with the Mortgage.

(p) Property is Insured.

(1) A property insurance policy on the Property is in effect that is provided by the Borrower or, if the Borrower fails to do so, by the PFI. It is written by an insurance company satisfying the standards set forth in the Guides, in the form required by the Guides, and provides fire and extended coverage for an amount at least equal to the amount required by the Guides.

(2) A flood insurance policy is in effect on the Property if required by the Guides, in conformance with the requirements of the Guides.

(3) Any policy included in this warranty contains a standard mortgage clause that names the PFI or, with the Bank's approval, the Bank as mortgagee.

(q) Mortgage is Acceptable Investment. The PFI knows of nothing, and in the case of any Acquired Mortgage, no prior servicer or holder of such Mortgage, at the time it transferred its interest in the Mortgage, knew of anything involving the Mortgage, the Property, the Borrower or the Borrower's credit standing that can reasonably be expected to:

(1) cause GSEs or private institutional investors to regard the Mortgage as an unacceptable investment;

(2) cause the Mortgage to become delinquent; or

(3) adversely affect the Mortgage's value or marketability, including, without limitation, any environmental conditions.

(r) Mortgage Insurance or Guaranty in Force. If the Mortgage is required to be insured by a mortgage insurance company, the PFI represents that the Mortgage is so insured and that the insurance is in full force. If a Mortgage is intended to be insured by the FHA under the National Housing Act as amended ("FHA Insurance"), guaranteed by the VA under the Servicemen's Readjustment Act of 1944 as amended ("VA Guaranty"), or insured or guaranteed by any other federal agency, the PFI represents that (1) each Mortgage to be insured by the FHA is eligible for FHA Insurance, and the FHA Insurance premiums that are due and payable for each such Mortgage have been paid, (2) each Mortgage to be guaranteed by the VA is eligible for a VA Guaranty, and any VA Guaranty fees that are due and payable for each such Mortgage have been paid, and (c) each Mortgage to be federally insured or guaranteed is eligible for such insurance or guaranty, and any fees or premiums that are due and payable for each such Mortgage have been paid, and all actions required to obtain such insurance or guaranty have been taken. In addition, the PFI and each prior servicer and holder of the Mortgage have complied with all Applicable Laws pertaining to such FHA, VA or other federal insurance or guaranty, or with the provisions of the mortgage insurance contract, that cover the Mortgage.

(s) Adjustable Mortgages. If the Guides and applicable Master Commitment permit adjustable rate mortgages, and the Mortgage provides that the interest rate or the principal balance of the Mortgage may be adjusted, the PFI represents that all of the terms of the Mortgage may be enforced by the Bank, its successors and assigns and all prior adjustments made or required to be made have been made in accordance with the applicable Mortgage provisions and Applicable Laws. These adjustments will not affect the priority of the lien as a first priority perfected lien against the Property.

(t) Mortgage Assignments. For each Closed Mortgage, the PFI has done or shall do the following within the time period set forth in the Guides:

(1) The Mortgage Note has been endorsed by the PFI in blank and delivered to the Bank, and if the Mortgage is an Acquired Mortgage, by the payee thereof and by each successive holder of such Mortgage. Each such endorsement shall be substantially in the following form: "Pay to the order of [assignee's name], without recourse" except that the final endorsement from the PFI shall leave a blank rather than complete the assignee's name. An endorsement without recourse does not and shall not be deemed to limit any of the PFI's representations, warranties or covenants under this Contract.

(2) Unless MERS is the mortgagee of record, the PFI has executed and delivered to the Bank an Assignment of Mortgage in blank, satisfying the requirements of the Origination Guide. If the Mortgage is an Acquired Mortgage and MERS is not the mortgagee of record, the original mortgagee thereof and each successive holder of such Mortgage has executed and, except for the PFI, recorded in the appropriate real estate records, an Assignment of Mortgage substantially in the form of the aforementioned Assignment of Mortgage, which Assignments or certified copies thereof have been delivered to the Bank, as necessary to satisfy the requirements of the Origination Guide.

(3) Each such endorsement and Assignment has been duly authorized, executed and delivered by each applicable party to each thereof and is the legal, valid and binding obligation of such party, enforceable in accordance with its terms.

(4) The PFI has delivered to the Bank the Mortgage File for such Mortgage in compliance with the Origination Guide.

(5) The original Mortgage was duly recorded in the appropriate real estate records where such recordation is necessary to perfect the lien thereof, in compliance with the Guides.

(u) Compliance Matters. The servicing of such Mortgage is properly held by the PFI and all notices required by Applicable Laws regarding any transfer of servicing shall have been delivered to the applicable Borrower. The servicing of such Mortgage by the PFI and any other servicer has complied in all material respects with the applicable Mortgage documents and Applicable Laws pertaining to servicing.

(v) Ownership of Mortgages. Except and only to the extent as expressly consented to by the Bank in a writing signed and delivered by the Bank, immediately prior to giving effect to the Assignment of Mortgage to the Bank, the PFI holds all right, title and interest in and to the Mortgage, including, without limitation, all servicing rights with respect thereto, free and clear of all liens, encumbrances, participation interests, claims or other interests of any other Person.

(w) Industry Standard Practices. The origination and collection practices relating to the Mortgage used by the PFI, and in the case of any Acquired Mortgage, all prior servicers and holders of such Mortgage, have been legal, proper, prudent and customary in origination and servicing of residential first mortgage loans.

(x) Full Disbursement. The proceeds of the Mortgage have been fully disbursed. All costs, fees and expenses incurred in making, closing or recording the Mortgage have been paid in full.

(y) No Foreclosure. There is no foreclosure proceeding pending or, to the best of the PFI's knowledge, threatened, with respect to such Mortgage or any Property subject thereto.

(z) No Bulk Transfer. No transfer of such Mortgage by any holder thereof, including (without limitation) the transfer by the PFI to the Bank was or is the subject of any bulk sale law or other similar law of any jurisdiction.

5.4. Notice of Breach. The PFI shall promptly give the Bank notice of any breach of any representation or warranty set forth herein or incorporated herein by reference, which notice shall be in writing and shall describe in reasonable detail the nature of such breach. The PFI shall promptly provide to the Bank such additional information regarding any such breach, as the Bank shall request.

5.5. Consequences of Untrue, Misleading or Incomplete Warranties or Representations; Purchase or Repurchase.

(a) The Bank may require the PFI to purchase or repurchase a Mortgage if any warranty or representation made by the PFI about the Mortgage or the related Property is untrue, misleading or incomplete (whether the warranty is in this Contract or any of the Guides, or was made at the Bank's specific request).

(b) The Bank may require such purchase or repurchase whether or not the PFI had actual knowledge of the breach of warranty or representation. The Bank may also enforce any other remedy available at law or in equity.

(c) To effect the sale or resale of such Mortgage, the Bank shall debit an amount equal to the purchase or repurchase price from the PFI's DDA, and in the event that any such debit from the PFI's DDA shall cause the balance in such account to become negative, such deficit shall be subject to the overdraft provisions of the depository agreement between the PFI and the Bank, which may include, without limitation, treating such overdraft as an advance. The purchase or repurchase price shall be as provided in the Guides, which shall include adjustments to the price to reflect any premium or discount paid to or by, the Bank to or from, the PFI in connection with the purchase of such Mortgage but shall not include fees paid to the PFI by the Borrower.

5.6. Consequences of Untrue, Misleading or Incomplete Warranties or Representations - Termination of Contract. While untrue, misleading or incomplete warranties or representations about a particular Mortgage or Property may be the basis for requiring the PFI to purchase or repurchase the Mortgage, there can be additional consequences. Such untrue, misleading or incomplete warranties or representations may also give rise to liabilities of the PFI under Section 5.7. In addition, untrue, misleading or incomplete warranties or representations can, under certain circumstances as determined by the Bank, be treated as a breach of this Contract that could result in the withdrawal of the Bank's approval of the PFI and the termination of this Contract as set forth in Articles X and XI.

5.7. Indemnification for Breach of Warranties or Representations; Holding the Bank Harmless. If there is a breach of warranty or representation under this Contract (whether such breach was intentional, negligent, or unintentional or whether or not the PFI had actual or constructive knowledge thereof), the PFI agrees to indemnify, defend and hold the Bank and the other Indemnified Parties harmless from and against any related losses, damages, claims, actions, causes of action, liabilities, obligations, judgments, penalties, fines, forfeitures, costs and expenses, including, without limitation, legal fees and expenses. Without limiting the PFI's obligation for any Remaining Credit Enhancement in effect from time to time, the indemnification arising under this Section 5.7 shall not be deemed to be a guarantee of the payment by any obligor of any Mortgage. If the Bank seeks indemnification under this Section 5.7, it must promptly give the PFI notice of any legal action. However, delay or failure by the Bank to provide such notice shall not release the PFI from any indemnity obligations, except and only to the extent that the PFI shows that such delay or failure materially prejudiced the defense of such action. The PFI shall be responsible to conduct such defense through counsel reasonably satisfactory to the Bank; provided, however, that the Bank is permitted to control fully the defense of any such claim and to settle any such claim subject to the PFI's approval, which approval shall not be unreasonably withheld; provided, further, that the Bank shall have the right to retain counsel to represent it at its expense in connection with any such claim. If there is a default by the PFI of its indemnity obligation, or a default under or termination of this Contract, or the Bank believes that there is a conflict between the Bank and the PFI or its counsel, the Bank may engage separate counsel at the expense of the PFI. If the PFI fails to assume the defense of an action within ten (10) days after receiving notice, then the PFI shall be bound by any determination made in the action or by any compromise or settlement the Bank may effect. The Bank agrees to use reasonable efforts to mitigate any claims tendered to the PFI. The Bank shall assign to the PFI all of its claims for recovery against third parties for any indemnification provided by the PFI, whether such claims arise pursuant to insurance coverage, contribution, subrogation or otherwise.

VI. ELIGIBILITY REQUIREMENTS FOR SERVICERS

For the PFI to service Mortgages for the Bank, the PFI must satisfy the eligibility requirements specified in this article.

6.1. General Requirements. These are the general requirements the PFI must meet to be eligible to service mortgages for the Bank:

(a) Meet the Bank's Standards. The PFI must have and maintain as one of its principal business purposes, the servicing of mortgages of the type that PFI will service under this Contract. In addition, the PFI, in the Bank's judgment, must, at all times, have the capacity to service mortgages for the Bank in a manner satisfying the Bank's servicing standards and the standards generally imposed by other GSEs and private institutional mortgage investors. Finally, the PFI must, at all times, satisfy the applicable requirements for servicers of mortgages set forth in the Guides and, if issued, in the MPF Program Requirements.

(b) Have Qualified Staff and Adequate Facilities and Systems. The PFI must, at all times, employ personnel or agents who are well trained and qualified to perform the functions required of the PFI, as Servicer, under this Contract, and the PFI and any agents must maintain facilities and systems that, in the Bank's judgment, are able to perform its functions as Servicer under this Contract.

(c) Maintain Fidelity Bond and Errors and Omissions Coverage. The PFI must maintain, at its own expense, a fidelity bond and errors and omissions insurance, as required by the Guides.

(d) Report Basic Changes. The PFI must notify the Bank promptly in writing of any material changes that occur in its principal purpose, activities, financial condition, staffing, facilities, fidelity bond or errors and omissions insurance.

6.2. Ownership and Status of Servicer. In approving a PFI as Servicer, the Bank relies on the information the PFI has provided about the eligibility, qualifications and financial status of the PFI and its owners. The PFI covenants and agrees to comply with the provisions of the Guides and, if issued, the MPF Program Requirements, regarding these matters, including, without limitation, the delivery of notices regarding these matters as required by the Servicing Guide. Changes in any such matters may affect the PFI's eligibility to service Mortgages for the Bank.

6.3. Financial Information. In order to become and remain an approved Servicer under this Contract, the PFI must provide the financial information required by the Guides from time to time and must satisfy the standards set forth in the Guides and the MPF Program Requirements. The PFI further agrees that the Bank may provide such financial information to the MPF Provider and other Participants or potential Participants in the Mortgages.

6.4. Access to PFI's Records. As set forth in the Guides, the PFI agrees to permit, and cause its agents to permit, the Bank's employees and designated representatives to examine or audit books, records and information pertaining to the Mortgages.

VII. SERVICING MORTGAGES

This article contains the basic rules governing the servicing of Mortgages owned by the Bank (whether originated by the PFI or any other Person) and Mortgages for which the PFI acquires the Servicing subject to the terms of this Contract, during the period that the PFI is to service such Mortgages.

7.1. Servicing Duties of the Servicer. The PFI hereby agrees to perform the following servicing duties for the benefit of the Bank and any Participants:

(a) Scope of Duties. The Servicer will diligently perform all duties that are necessary or incident to the servicing of Mortgages that the Servicer is required to service by the terms of this Contract or any other existing or future agreement between the Bank and the Servicer.

(b) Mortgages to be Serviced. Any Closed Mortgage and any Acquired Mortgage will be serviced by the PFI for the Bank according to the terms of this Contract, unless, with respect to any such Mortgage, the Bank gives the PFI written notification or consent that such Mortgage will not be serviced by the PFI, whether:

(1) at the time of acquisition by the Bank, as applicable;

(2) thereafter as a result of the PFI or its designee breaching any representation, warranty, covenant or agreement contained in Articles V, VI or VII of this Contract or in any provision of the Guides pertaining to the servicing of the Mortgages or eligibility to service the Mortgages; or.

(3) at the time of the transfer of Servicing to another.

(c) Service According to Guides and Industry Standards. Any Mortgage serviced under this Contract must be serviced by the Servicer according to the provisions in the Guides in effect on the date of this Contract or as the Guides may be amended or supplemented in the future, provided that such amendments or supplements shall apply only for Mortgages delivered to the Bank on or after the respective effective dates thereof unless such amendments or supplements (i) implement or are required by Applicable Law, or (ii) do not materially increase the PFI’s responsibilities. The Servicer will also follow other reasonable instructions the Bank or MPF Provider (through its Master Servicer) gives it from time to time and shall follow accepted industry standards and comply with Applicable Laws when servicing a Mortgage for the Bank, which includes without limitation, the maintenance of all insurance and guaranty coverage required by the Guides and the payment of all premiums and fees thereon as they become due and payable.

(d) Service at Servicer's Own Expense. The Servicer shall be solely responsible for all costs of Servicing unless the Guides expressly provide otherwise. Without limiting the foregoing sentence, the Servicer shall be responsible for Unreimbursed Servicing Expenses as provided in Section 4.3, and shall, if required by the Bank, repurchase delinquent Government Mortgages in accordance with the provisions of the Guides or as the Bank otherwise agrees in writing.

(e) Special Responsibilities in Foreclosures. Among the other duties that may be assigned to the Servicer through the Bank's special instructions or under the terms of the Guides is the responsibility to manage and appropriately dispose of the Property when a Mortgage it is servicing for the Bank has been foreclosed, or possession or title has been acquired by the Servicer on behalf of the Bank. The Servicer shall manage the Property according to the terms of the Mortgage (during the foreclosure process) and shall manage and dispose of the Property in accordance with the Guides (both during the foreclosure process, or the acceptance of a deed in lieu of foreclosure or other remedy, and after title to the Property has been acquired on behalf of the Bank).

(f) Service Until Need Ends. The Servicer shall service each Mortgage continuously from the date its servicing duties begin until the earliest of:

(1) the Mortgage's principal and interest have been paid in full and the Mortgage shall have been canceled or released of record and a satisfaction or canceled Note shall have been issued to the Borrower;

(2) the Mortgage has been foreclosed or liquidated and the Mortgaged Property properly disposed of; or

(3) the Servicer's servicing duties are transferred or terminated in accordance with this Contract.

7.2. Compensation.

(a) The Servicer's compensation for servicing Mortgages under this Contract, including, without limitation, the management and disposal of foreclosure Properties, shall be the Servicing Fees specified in the Guides and in the Master Commitment.

(b) From time to time the MPF Provider may publish amendments to the Guides or revisions of the MPF Mortgage Products that effect a change in the Servicer's compensation which will take effect no earlier than thirty (30) days after such publication. However, such a change shall not affect Master Commitments under which one or more Delivery Commitments have been issued before the effective date of the change.

7.3. Ownership of Records.

(a) General. The Mortgage Records are the Bank's property at all times. This is true whether or not the Servicer developed or originated them.

The Mortgage Records shall include, but are not limited to:

(1) all Mortgage documents;

(2) tax receipts;

(3) insurance policies;

(4) insurance premium receipts;

(5) ledger sheets or their electronic equivalent;

(6) payment records;

(7) insurance claim files and correspondence;

(8) foreclosure files and correspondence;

(9) current and historical data files; and

(10) all other papers, records, correspondence, memoranda and electronic data.

(b) Servicer as Custodian. The Mortgage Records belong to the Bank. The Servicer shall have possession of the Mortgage Records only with the Bank's approval. The Servicer hereby acknowledges that it is acting as the Bank's custodian in connection with any Mortgage Records at any time in its possession or control and it shall have no other interest in them. This is true whether the Servicer receives the Mortgage Records from an outside source or prepares them itself.

(c) Delivery.

(1) The Servicer shall deliver to the Bank or its designee such original Mortgage Records as the Guides shall require. In addition, when the Bank or its designee asks in writing for any Mortgage Records, the Servicer shall deliver them promptly to the Bank or its designee. The Servicer shall also provide such Servicing information as required by the Guides and as the Bank may reasonably request from time to time.

(2) If the Bank asks the Servicer in writing for reproductions of any Mortgage Records the Servicer or any predecessor servicer or holder of any Mortgage microfilmed, condensed or stored in electronic form, the Servicer will reproduce them in fully readable form promptly at no cost to the Bank or its designee. Further, in the event the Bank requires copies of an extensive number of Mortgage Records (in contrast to normal quality control reviews or similar targeted requests for Mortgage Records) that have been microfilmed, condensed or stored in electronic form, the Servicer may provide duplicates of the microfilm or condensed data, or electronically transmit such data, to the Bank in a format readable by the Bank or its designee rather than provide reproductions of the Mortgage Records in paper format.

7.4. Agreement to Indemnify, Defend and Hold Harmless.

(a) The PFI as the Servicer agrees to indemnify, defend and hold the Bank and the other Indemnified Parties harmless from and against all losses, damages, claims, actions, causes of action, liabilities, obligations, judgments, penalties, fines, forfeitures, costs and expenses, including, without limitation, legal fees and expenses, that result from (i) the failure or purported failure of the PFI or its assignee or designee in any way to perform its servicing obligations and duties with respect to the Mortgages or managing or disposing of Property in accordance with this Contract or the Guides, or (ii) the actual or purported willful misfeasance, bad faith or negligence of the PFI or its assignee or designee in the performance of its obligations or duties as the Servicer in connection with this Contract or the Guides, or the reckless disregard of such obligations or duties. In no event shall this indemnification be deemed to be a guarantee of payment by any obligor of any Mortgage. If an Indemnified Party seeks indemnification under this Section 7.4 (a), it must promptly give the PFI notice of any legal action or dispute. However, delay or failure by the Indemnified Party to provide such notice shall not release the PFI from any indemnity obligations, except and only to the extent that the PFI shows that such delay or failure materially prejudiced the defense of such action. The PFI shall be responsible to conduct such defense through counsel reasonably satisfactory to the Indemnified Party; provided, however, that the Indemnified Party is permitted to control fully the defense of any such claim and to settle any such claim subject to the PFI's approval, which approval shall not be unreasonably withheld; provided, further, that the Indemnified Party shall have the right to retain counsel to represent it at its expense in connection with any such claim. If the PFI fails to comply with its indemnity obligations or breaches this Contract, or the Bank believes that there is a conflict between the Bank and the PFI or its counsel, the Bank may engage separate counsel at the expense of the PFI. If the PFI fails to assume the defense of an action within ten (10) days after receiving notice, then the PFI shall be bound by any determination made in the action or by any compromise or settlement the Indemnified Party may effect. The Indemnified Party shall use reasonable efforts to mitigate any claims tendered to the PFI. The Indemnified Party shall assign to the PFI all of its claims for recovery against third parties for any indemnification provided by the PFI, whether such claims arise pursuant to insurance coverage, contribution, subrogation or otherwise.

(b) If any Person, including, without limitation, any governmental agency, department or official, sues the Bank or any other Indemnified Party, makes a claim against any Indemnified Party or starts a proceeding against any Indemnified Party based on the PFI's acts or omissions, or purported acts or omissions, in servicing Mortgages or managing or disposing of Property, the PFI's obligation to indemnify, defend and hold harmless the Bank or any other Indemnified Parties shall be met regardless of whether the suit, claim or proceeding has merit or not.

(c) The PFI's indemnification obligation does not apply, however, to the extent that during a suit, claim or proceeding, the Bank gives the PFI express written instructions and solely as a result of the PFI following them an Indemnified Party suffers losses, damages, judgments or legal expenses.

7.5. PFI's Role as Mortgage Servicer. The Servicer shall be an independent contractor and shall not be an agent for the Bank except as may be expressly provided for in the Guides, and shall not hold itself out as an agent of the Bank.

VIII. ASSIGNMENT, CONSIDERATION AND CONTINUANCE

This article describes the Bank's requirements covering assignment of, consideration for, and continuance of, this Contract.

8.1. Assignment. Because the relationships created by this Contract are personal, the PFI may not, without the Bank's prior written approval, assign:

(a) this Contract (whether in whole or in part) under any circumstances, either voluntarily or involuntarily, by operation of law, or otherwise;

(b) its responsibility regarding the origination of Mortgages under this Contract;

(c) its Credit Enhancement arising under Article IV of this Contract, nor may the PFI enter into or acquire any agreement to indemnify, offset, hedge or share its Credit Enhancement, including, without limitation, such agreements as mortgage pool insurance, reinsurance or securitizations in any form; or

(d) any fees payable or rights arising under this Contract.

Notwithstanding the foregoing, other Persons may assist the PFI in originating Mortgages, either as an agent of the PFI or as a vendor supplying services to the PFI. In all such cases, the PFI shall remain primarily responsible and liable for (and shall not be released from) the performance of all PFI obligations hereunder and shall be and remain primarily liable for the acts and omissions of such other Persons. In addition, the PFI shall be solely responsible for any payments due all such other Persons for their services, and shall indemnify, defend and hold harmless the Bank and the other Indemnified Parties from and against all losses, damages, claims, actions, causes of action, liabilities, obligations, judgments and expenses (including, without limitation, legal fees and expenses) relating to such services or such Persons. Nothing in this Contract shall be deemed to limit the Bank's right to sell, pledge, hypothecate, securitize or assign the Mortgages or any interests or rights it has arising out of the Mortgages or under this Contract.

8.2. Limited Value of Contract to PFI.

(a) The PFI acknowledges that it has paid the Bank no monetary consideration for making it an approved PFI or Servicer.

(b) The PFI also agrees that, except for any premium payable with respect to Mortgages delivered under this Contract, any Credit Enhancement Fee payable under this Contract, the Servicing Fee with respect to the servicing of Mortgages under this Contract, or any termination fee for terminating servicing under this Contract, this Contract has no value to the PFI.

8.3. Requirements for Continuance. The PFI acknowledges that it may continue to originate, sell and service Mortgages under this Contract only as long as, among other things, it continues to meet all of the eligibility requirements set forth in this Contract, the Guides and, if issued, the MPF Program Requirements.

IX. ASSIGNING MORTGAGE SERVICING

The PFI may not sell, assign or pledge its responsibility for servicing all or any part of the Mortgages that it is servicing for the Bank without first obtaining the Bank's written consent, which consent may be granted or withheld by the Bank in its sole discretion and may be subject to conditions specified in the Guides.

X. BREACHES OF CONTRACT

The Bank can treat the PFI's taking certain actions, or failing to take certain actions, as a breach of this Contract. A breach of this Contract can lead to a termination of this Contract by the Bank at the Bank's option. Termination is provided for in detail in Article XI. In addition, upon the PFI's breach of this Contract, the Bank, at its option, may revoke the Bank's approval of the PFI as a Mortgage originator, seller or servicer.

10.1 Specific Breaches of Contract. The following constitute breaches of this Contract:

(a) Harm, Damage, Loss or Untrue Warranties. It is a breach of this Contract if any act or omission of the PFI in connection with the origination, sale, servicing or Credit Enhancement of any Mortgage causes the Bank any harm, damage or loss, provided, however, that the PFI's liability for any such breach shall not be deemed to be a guarantee of the payment by any obligor of any Mortgage except to the extent of any Remaining Credit Enhancement in effect from time to time. It is also a breach of this Contract if the PFI breaches any representations or warranties made or furnished by or on behalf of the PFI in connection with this Contract (including, without limitation, those set forth in Section 5.2) or if the PFI delivers to the Bank any Mortgage which breaches any of the warranties described in Section 5.3.

(b) Failure to Comply with this Contract, the Guides or the MPF Program Requirements. It is a breach of this Contract if the PFI does not comply, through any act or omission, with any term or condition of this Contract, the Guides or, if issued, the MPF Program Requirements.

(c) Failure to Properly Foreclose or Liquidate. Where a Mortgage is in default and the PFI is required or has decided to foreclose or liquidate such Mortgage, it is a breach of this Contract if the PFI fails to take prompt and diligent action consistent with Applicable Laws to foreclose on or otherwise appropriately liquidate such Mortgage and to perform all incidental actions, whether or not the failure results from the acts or omissions of an attorney, trustee or other Person or entity the PFI chooses to effect foreclosure or liquidation.

(d) Failure to Properly Manage, Dispose of, or Effect Proper Conveyance of Title. It is a breach of this Contract if any Mortgage serviced under this Contract has been foreclosed or the possession or title to the Property has been taken by the PFI on behalf of the Bank and the PFI fails to properly manage, dispose of or effect proper conveyance of title to the Mortgaged Property in accordance with this Contract, the Guides, any Applicable Laws or any applicable Mortgage insurance policies or contracts.

(e) PFI's Financial Ability Impaired. It is a breach of this Contract if there is a change in the PFI's financial status that, in the Bank's opinion, materially and adversely affects the PFI's ability to satisfactorily perform any of its obligations under this Contract. Changes of this type include without limitation:

(1) the PFI's insolvency;

(2) adjudication of the PFI as a bankrupt;

(3) appointment of a receiver or conservator for the PFI;

(4) the PFI's execution of a general assignment for the benefit of its creditors; or

(5) any regulatory action taken against the PFI by any regulatory agency that in the Bank’s sole judgment is likely to have a material adverse impact on the financial condition of the PFI or its ability to perform any of its obligations under this Contract.

(f) Failure to Obtain the Bank's Prior Written Consent. It is a breach of this Contract if the PFI fails to obtain the Bank's prior written consent for:

(1) a sale or transfer (directly or indirectly) of the majority interest in the PFI; or

(2) a change in its corporate status, charter or structure.

(g) Failure to Comply with Eligibility Standards. It is a breach of this Contract if the PFI, in the Bank’s opinion, fails at any time to meet the eligibility standards for originating, selling or servicing Mortgages set forth in this Contract, the Guides or, if issued, the MPF Program Requirements.

(h) Court Findings against PFI or Principal Officers. It is a breach of this Contract if:

(1) a court of competent jurisdiction finds that the PFI or any of its Principal Officers has committed an act of civil fraud related to the PFI’s lending or mortgage origination, selling or servicing activities, or that, in the Bank’s reasonable opinion, adversely affects the PFI’s reputation or the Bank’s reputation or interests; or

(2) the PFI or any of its Principal Officers is convicted of any criminal act related to the PFI's lending or mortgage origination, selling or servicing activities or that, in the Bank's opinion, adversely affects the PFI's reputation or the Bank's reputation or interests.

(i) Cross-Defaults. It is a breach of this Contract if any default occurs under any other agreement between (1) the PFI (or any Affiliate of the PFI) and the Bank, or (2) the PFI (or any Affiliate of the PFI) and any other Federal Home Loan Bank.

(j) Replacement Contract. It is a breach of the Contract if the PFI does not immediately reimburse the Bank for any funds advanced by the Bank to obtain a Replacement Contract.

10.2. The Bank's Rights upon Breach.

(a) Rights Regarding PFI Relationship. If there is a breach of this Contract by the PFI, the Bank will have no obligation to permit the PFI to correct or cure the breach and the Bank shall have the following rights:

(1) the right (but not the obligation) to require or permit the PFI to take any reasonable action to correct or cure the breach, provided, however, if the Bank determines the PFI's breach is capable of being cured and is not the result of the PFI's breach of a fiduciary duty, willful misconduct or intentional wrongdoing, then the Bank may, in its sole discretion, so notify the PFI and allow the PFI a reasonable time period, as determined by the Bank, to cure such breach, and if the breach is not cured within such time period, then the Bank may enforce its rights as provided in Section 10.2 and under Article XI;

(2) the right to terminate this Contract in whole or in part, except for a breach that involves an individual Mortgage which the Bank requires the PFI to purchase or repurchase, and (i) that, in the Bank's sole judgment, is not indicative of a pattern or practice on the part of the PFI which is likely to result in breaches with respect to other Mortgages, or (ii) that, in the Bank's sole judgment, does not involve a breach of fiduciary duty, willful misconduct or intentional wrongdoing on the part of the PFI or its designee;

(3) the right to revoke the Bank's approval of the PFI as an approved Originator, seller or Servicer; and

(4) any other rights under this Contract or the Guides or available at law or in equity, including, without limitation, the Bank's rights to indemnification provided for in this Contract and the Guides.

(b) Rights With Respect to the Collateral and the Advances Agreement. Without limiting the provisions of subsection (a) above, in the event of a breach of this Contract by the PFI or the Bank's exercise of its rights under Section 4.2 (c), the Bank shall have any and all of the following rights, which are not mutually exclusive and which are in addition to, and not in limitation of any rights of the Bank under the Advances Agreement:

(1) to obtain a Replacement Contract (which may be one or more agreements as determined by the Bank in its sole discretion);

(2) to terminate the PFI's right to receive any Credit Enhancement Fee or Government Loan Fee accruing under each Master Commitment; thereafter, the Bank may pay such Credit Enhancement Fee to the obligor of, or as needed to fund, the Replacement Contract as well as to reinstate, if necessary, and to maintain in force any credit enhancement agreements provided by third parties that were in place prior to the breach, such as FHA insurance, supplemental mortgage insurance, VA guaranty, and others as may be applicable;

(3) to liquidate any collateral securing the PFI's Credit Enhancement under Article IV and to apply the proceeds thereof in such manner as the Bank may determine to any obligations of the PFI to the Bank, whether arising under this Contract or any other agreement, including without limitation to the cost of obtaining any and all Replacement Contracts, and any other damages incurred by the Bank arising under this Contract; and

(4) to treat any sums paid (or payable) or incurred to obtain a Replacement Contract, which sums shall include but are not limited to, the present value of future payments due under the Replacement Contract (that are in excess of the present value of any Credit Enhancement Fees that would have been payable to the PFI with respect to each Master Commitment), as Indebtedness or Liabilities (if either such term is used in the Advances Agreement) of the PFI to the Bank, and an extension of credit by the Bank pursuant to the Advances Agreement, and shall become immediately due and payable under this Contract by the PFI;

provided, however, upon the PFI's full and unconditional payment of the amounts advanced by the Bank to obtain a Replacement Contract together with all prior or outstanding claims against the PFI, if any, the PFI shall be released of its Credit Enhancement under Article IV with respect to that Master Commitment and the Bank shall have no obligation to pay Credit Enhancement Fees to the PFI.

(c) Forbearance Not a Waiver. Any forbearance by the Bank in exercising any of its rights will not be a waiver of any present or future right the Bank has under this Contract to so terminate it or to revoke the Bank's approval of the PFI as an approved Originator, seller or Servicer.

XI. TERMINATION OF CONTRACT

Without limiting the rights of the parties as provided elsewhere in this Contract, this Contract may be terminated for the reasons and in the manner as provided in this Article XI.

11.1. Termination by Either Party of Mortgage Origination Arrangements. The Origination and Sale Provisions of this Contract may be terminated by the PFI or by the Bank, with or without cause, by giving notice to the other party. Notice of termination of the Origination and Sale Provisions may be given at any time but must conform to Article XIII of this Contract. In the event of termination of the Origination and Sale Provisions for cause, such termination shall take effect immediately upon notice of termination, and may include the cancellation of the unused portion of any Master Commitments. Termination of the Origination and Sale Provisions without cause shall be effective with respect to the unused portion of any Master Commitments sixty (60) days after notice of termination is given, unless the notice specifies a later effective date. Termination of the Origination and Sale Provisions will not affect any outstanding Delivery Commitments for which the Bank has issued its written acceptance, provided, however, that if the PFI has breached this Contract, the Bank may declare any or all outstanding Delivery Commitments and its acceptance thereof void. No termination fee is payable with respect to the termination of the Origination and Sale Provisions, whether terminated by the PFI or the Bank. Nothing in this Section 11.1 shall affect the PFI's obligations, or impair the Bank's rights, with respect to the Mortgages delivered to the Bank under this Contract prior to such termination or pursuant to Delivery Commitments entered into prior to such termination.

11.2. Termination by PFI of Mortgage Servicing Arrangements. The PFI may terminate the provisions of this Contract covering the servicing of Mortgages by giving the Bank notice at any time. Notice must conform to Article XIII of this Contract. Termination is effective the last day of the third calendar month after the calendar month in which notice is given. If the PFI terminates the servicing provisions of this Contract in whole or in part, the Bank will not pay the PFI a termination fee, and the PFI shall pay the costs of transferring the servicing of the Mortgages to a party acceptable to the Bank.

11.3. Termination by the Bank of Servicing Arrangements. The Bank may terminate the provisions of this Contract covering the servicing of Mortgages by following the procedures outlined below.

(a) Termination Without Cause. The Bank may, in its sole discretion, terminate the servicing provisions of this Contract by giving the PFI notice of the termination and directing the PFI to transfer the Servicing to a party designated by the Bank in exchange for a termination fee. Such termination of Servicing shall take effect on the last day of the third calendar month after the calendar month in which the Bank gives its notice unless a later date is specified. The termination fee for such transfer of Servicing shall be equal to the fair market value of such transferred Servicing, which shall be mutually agreed upon by the PFI, the Bank and the designated buyer. If the parties are not able to agree on the fair market value of such Servicing, they shall abide by the determination of fair market value made by an independent nationally recognized evaluator of mortgage servicing agreed upon by the Bank and the PFI. The Bank shall pay reasonable servicing transfer expenses in connection with a termination without cause.

(b) Termination With Cause. The Bank may terminate Servicing if the PFI breaches this Contract, including, without limitation, any of those breaches listed in Section 10.1; provided, however, if the Bank, in its sole judgment, determines the PFI's breach is capable of being cured and is not the result of the PFI's breach of a fiduciary duty, willful misconduct or intentional wrongdoing, the Bank may so notify the PFI and specify a time period, determined by the Bank in its sole discretion, to cure such breach, and if the breach is not cured within such time period, then the Bank may enforce its rights to terminate Servicing as provided in this Section 11.3 (b). The Bank may terminate Servicing by giving the PFI a notice of termination. Notwithstanding anything in this Contract to the contrary, the Bank may make the termination effective immediately, and the Bank will not pay the PFI a termination fee or any of the proceeds from any sale of the Servicing involved. Furthermore, the Bank will not pay a termination fee if a Mortgage is purchased by the PFI under Article V.

The provisions applicable to any such termination with or without cause, including, without limitation, the procedures for effecting any such termination and the transfer of servicing, are set forth in the Servicing Guide.

11.4. Credit Enhancement Obligations Not Terminated. Unless such obligations are earlier modified, waived or released by the Bank in writing or replaced by a Replacement Contract accepted by the Bank in full satisfaction of the PFI's Credit Enhancement, the PFI's Credit Enhancement under Article IV, including without limitation, the representations and supporting obligations, are not subject to termination and shall survive termination of this Contract. Such obligations shall remain in full force and effect until the last of the Mortgages delivered, credit enhanced or serviced under this Contract is repaid, liquidated, or foreclosed or the Mortgaged Property relating thereto is disposed of.

11.5. Rights of Termination Not Impaired. The exercise of a right of termination under any provision of this Contract will not impair any further right of termination under another provision.

XII. SURVIVAL OF RESPONSIBILITIES AND LIABILITIES

Notwithstanding anything contained in this Contract to the contrary, in the event that all or any part of this Contract is terminated, any and all of the responsibilities and liabilities of the PFI in existence before the termination of this Contract, including without limitation, the obligations arising under Articles IV and V and Sections 7.3, 7.4, 19.5 and 19.6, shall survive such termination and shall continue to exist after termination unless the Bank expressly releases the PFI from any of such responsibilities or obligations in writing. This is true whether this Contract was terminated by the PFI or by the Bank.

XIII. NOTICE

13.1. General. Whenever notice is required under this Contract or by Applicable Law, it must be given as described in this article. All demands, notices and communications under this Contract shall be in writing (except as expressly provided in Section 13.2 below) and shall be delivered in person or sent by certified United States mail, postage prepaid, return receipt requested or sent by facsimile transmission or sent through a nationally recognized overnight delivery service, addressed at the applicable party's address. Any such notice shall be deemed delivered upon the earlier of actual receipt and, in the case of notice by United States mail, three Business Days after deposit with the United States post office, and in the case of notice by overnight courier, the Business Day immediately following the date so deposited with the overnight delivery service.

13.2. The Guides and Other Documents. Copies of the Guides, including, without limitation, any amendments or supplements, or any changes or pronouncements with respect thereto, will be provided to the PFI from time to time by the Bank, at its option, either (a) via regular mail or other delivery service, or (b) electronically by posting these items on an Internet website and notifying the PFI of the Internet address of such website.

13.3. Addresses. For purposes of this Article XIII, the addresses and facsimile numbers for the Bank and the PFI (and the electronic transmission information for the PFI) are as set forth in the Addendum attached hereto. Any change must be given in writing in accordance with the provisions of Section 13.1, but shall be effective only upon actual receipt.

13.4 Telephonic and Electronic Communications. In addition to the provisions set forth in the Guides, the PFI hereby authorizes the Bank, from time to time without notice to the PFI, to record telephonic and other electronic communications of the PFI with the Bank.

XIV. PRIOR AGREEMENTS

The Origination and Sales Provisions of the Prior Contract and the terms and conditions of any Master Commitments executed pursuant to the Prior Contract shall continue to govern all Mortgages delivered under Master Commitments executed pursuant to the Prior Contract, but in all other respects such Mortgages shall be governed by and serviced under this Contract including, without limitation, Section 3.7 thereof. Except for the Origination and Sales Provisions applicable to Mortgages delivered under the Prior Contract, this Contract supersedes and replaces the Prior Contract. This Contract shall govern all Acquired Mortgages and all Mortgages delivered under Master Commitments executed pursuant to this Contract in all respects. This Article XIV does not affect the respective rights or obligations of the PFI or the Bank under any prior agreement or understanding that does not relate to the origination, selling or servicing of Mortgages to which this Contract relates.

XV. SEVERABILITY AND ENFORCEMENT

15.1. Severability. If any provision of this Contract conflicts with Applicable Law, the other provisions of this Contract that can be carried out without the conflicting provision will not be affected.

15.2. Rights and Remedies Cumulative. All rights and remedies under this Contract are distinct and cumulative not only as to each other but as to any rights or remedies afforded by law or equity. They may be exercised together, separately or successively. Subject to Section 19.6, these rights and remedies are for the benefit of the parties and their respective successors and assigns.

XVI. CAPTIONS

This Contract's captions and headings are for convenience only and are not part of this Contract.

XVII. SCOPE OF CONTRACT

The following provision applies, whether or not it is contrary to other provisions in this Contract. The Bank reserves the right to restrict the PFI's selling or servicing of Mortgages for the Bank to the type that the PFI and its employees have the experience and ability to originate or service.

XVIII. OTHER PARTIES

18.1. Participants. The PFI acknowledges that the Bank may and intends to enter into one or more participation agreements with other Persons (the "Participants") to convey participation interests in some or all of the mortgages sold or serviced under this Contract. Nothing in this Contract shall prohibit such participation agreements. The PFI authorizes the Bank to disclose to potential Participants the information used to approve the PFI as PFI, credit enhancer and Servicer and to maintain those qualifications so long as such potential Participants have agreed in writing to maintain the confidentiality of such information.

18.2. Master Servicer; Custodian; Underwriter; Subservicer; etc. The PFI acknowledges and agrees that from time to time the Bank may enter into agreements with other Persons regarding the Mortgages. Such agreements may include master servicing agreements, custodial agreements, underwriting agreements, securitization agreements, subservicing agreements and other agreements for the benefit of the Bank, the Participants and their respective successors and assigns. No party to such other agreement shall owe any obligation to the PFI. To the extent the Bank assigns or delegates any of its rights or obligations to any such other party from time to time and so notifies the PFI thereof in writing, the PFI shall be bound by such assignment or delegation. In such event, the PFI agrees that it shall not be the agent of any such other party.

XIX. MISCELLANEOUS PROVISIONS

19.1. Amendment. All amendments to this Contract shall be in writing duly executed and delivered by the PFI and the Bank, except as expressly provided in the Guides; provided, however, that the Bank may extend the period applicable to any Master Commitment without the written approval of the PFI.

19.2. REMIC, FASIT or Other Securitization or Sale Transaction. The PFI hereby acknowledges and agrees that the Bank may hereafter transfer some or all of the Mortgages to purchasers of whole loans or into a trust or other entity, which trust or other entity may elect REMIC or FASIT status. In the case of any such transfer (whether or not such entity elects REMIC or FASIT status), (a) the Bank may assign to the transferee the Bank's rights under this Contract in respect of the Mortgages so transferred and upon such assignment, the transferee shall be entitled to all rights of the Bank under this Contract in respect of such Mortgages, except to the extent provided otherwise in the transfer agreement between the Bank and such transferee, (b) the PFI will comply with all applicable REMIC or FASIT legal and regulatory requirements in connection with the performance of its obligations and the exercise of its rights hereunder, and (c) upon the request of the Bank, the PFI shall provide all information reasonably required and otherwise cooperate with the Bank, any applicable rating agencies and any prospective transferees or investors in connection with any such securitization or sale of any or all of the Mortgages and shall enter into such amendments to this Contract as the Bank shall reasonably request to effectuate the provisions of this Section 19.2.

19.3. Governing Law. The parties acknowledge that the MPF Program is or will be offered to participating financial institutions in numerous states, that the MPF Provider will be providing services to the Bank, the PFI and all participating financial institutions wherever located, and that this Contract will be performed in part in the State of Illinois because of the services to be provided by the MPF Provider to, or on behalf of, the Bank. **THEREFORE THE PARTIES AGREE THAT THIS CONTRACT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE STATUTORY AND COMMON LAW OF THE UNITED STATES OF AMERICA. TO THE EXTENT FEDERAL LAW INCORPORATES OR DEFERS TO STATE LAW, THE RELEVANT STATE LAW SHALL BE THE LAW OF THE STATE OF ILLINOIS (WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES) APPLICABLE TO AGREEMENTS TO BE PERFORMED IN THE STATE OF ILLINOIS. Any action or proceeding to enforce or interpret this Contract shall be brought in the state or federal court for the county and state where the Bank is located, and if any basis for federal jurisdiction exists in such action or proceeding, it must be brought in the federal court for such state and county.** Section 4.7 of this Contract provides that the Advances Agreement will govern the pledging of collateral by the PFI to secure obligations under this Contract, in addition to any other obligations of the PFI arising under the Advances Agreement or other contracts or agreements between the Bank and the PFI. It is expressly agreed and understood that the choice of Illinois law in this Section 19.3 shall apply only to this Contract, and shall not apply to any transaction governed by the terms of the Advances Agreement or other contracts or agreements between the Bank and the PFI, which shall continue to be governed by the choice of law specified therein, even if such transaction is related to a transaction under this Contract. In addition, the PFI agrees that if it should bring any action or proceeding seeking to obtain any legal or equitable relief against the Bank under or arising out of this Contract or any transaction contemplated by this Contract, and such relief is not granted by the final decision, after any and all appeals, of a court of competent jurisdiction, the PFI will pay all attorneys' fees and other costs incurred by the Bank in connection therewith. The PFI agrees to reimburse the Bank for all costs and expenses (including reasonable fees and out-of-pocket expenses of counsel for the Bank) incurred by the Bank in connection with the enforcement or preservation of the Bank's rights under this Contract including, but not limited to, its rights in respect of any Mortgages sold or serviced by the PFI and any collateral pledged to the Bank in connection with such Mortgages.

19.4. Intention of the Parties. It is the intention of the parties hereto that this Contract does not create a joint venture or partnership between the PFI and the Bank, but rather this Contract constitutes a contractual arrangement between the parties. The Bank shall not be obligated to purchase any particular mortgage unless and until it formally commits in writing to do so.

19.5. Confidentiality of Proprietary Information. The PFI agrees to maintain the confidentiality of any information provided by the Bank or the MPF Provider which is labeled "confidential" or "proprietary information" or otherwise transmitted as confidential information, including, without limitation, the Credit Enhancement data described in Section 19.6, and not to disclose such information except to employees who have a need to know its contents and to third party agents who have a need to know and have signed confidentiality agreements protecting the Bank. It is understood that such information will not be considered confidential if (a) it is or becomes publicly available through no breach of the PFI's obligations under this Contract, (b) it is provided by the Bank to any third Person without restriction on disclosure, (c) it is provided to the PFI by a third Person who properly has such information, without restriction on disclosure and without breach by such third Person of any nondisclosure obligation it may have, or (d) it is independently developed by the PFI without use of the Bank's information. If the PFI is served with process or any other governmental or regulatory request for such confidential information, the PFI shall immediately notify the Bank's General Counsel, or if the Bank has no General Counsel, the Bank's President, prior to complying with such process or request, except where such prior notice is prohibited by law.

19.6. Use of Credit Enhancement Data. Information regarding the determination of the Actual Credit Enhancement or proposed Credit Enhancement, both on a loan level basis and on a pool level basis, supplied by the MPF Provider on behalf of the Bank is proprietary information. This information is shared with the PFI for the sole purposes of assisting the PFI to evaluate whether to originate for, or sell a mortgage or mortgages to the Bank, and for the PFI to determine the appropriate capital treatment for such mortgage(s), and for no other purpose, including but not limited to, valuation for market securitization purposes. The Bank and MPF Provider, their vendors and licensors and all Affiliates thereof do not and cannot warrant the accuracy, adequacy or completeness of, or performance or results that may be obtained by using the MPF Provider's system and/or any information or data generated with the use of this system or the capital, accounting, regulatory or tax treatment applicable to the PFI. The information and data generated by the MPF Provider's system are provided "as is" without any express or implied warranties, including but not limited to, any implied warranties of merchantability or fitness for any particular purpose or use. With respect to such information and data generated by or with the use of the MPF Provider's system, neither the Bank, MPF Provider, their vendors and licensors nor any Affiliates thereof shall be liable to any PFI or anyone else for any inaccuracy, delay, interruption in service, error or omission, regardless of cause, or for any damages resulting therefrom. Neither the Bank, MPF Provider, their vendors and licensors and all Affiliates thereof nor anyone else who has been involved in the creation or production of the MPF Provider's system and/or delivery of the information and data generated thereby or any component of the forgoing shall be liable for any indirect, incidental, special, punitive, consequential or similar damages, such as but not limited to, loss of anticipated profits or benefits resulting from the use of the information and data generated by the MPF Provider's system, even if any of them has been advised as to the possibility of such damages. This limitation of liability shall apply to any claim or cause whatsoever whether such claim or cause arises in contract, tort or otherwise. In the event that liability is nevertheless imposed, the cumulative liability of the Bank and MPF Provider, their vendors and licensors and all Affiliates thereof shall not exceed twenty thousand dollars ($20,000) in the aggregate.

19.7. Successors and Assigns. This Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns; provided, however, that the foregoing provision shall not be deemed to permit the assignment by the PFI of any of its rights or obligations hereunder in violation of this Contract.

19.8 Conflict with Guides. In the event of any conflict between the provisions of this Contract and the provisions of the Guides, the Guides shall prevail unless this Contract expressly provides otherwise.

XX. SIGNATURES

By executing this Contract, the PFI and the Bank agree to all of this Contract's terms and provisions. The PFI and the Bank have caused this Contract to be executed and delivered by their duly authorized officers as of the date first written above.

This Contract takes effect when executed and delivered by both the PFI and the Bank.

THE PFI:

West Virginia Housing Development Fund

By: ____________________________

Name: Erica L. Boggess

Title: Executive Director

By: ____________________________

Name: ____________________________

Title: ____________________________

THE BANK:

FEDERAL HOME LOAN BANK OF PITTSBURGH

By: ____________________________

Name: ____________________________

Title: ____________________________

By: ____________________________

Name: ____________________________

Title: ____________________________

Customer No.____________________

ADDENDUM

Address and Other Contact Information

The Bank: Federal Home Loan Bank of Pittsburgh

Address:

Federal Home Loan Bank of Pittsburgh
601 Grant Street
Pittsburgh, PA 15219

Attention: MORTGAGE PARNERSHIP FINANCE® Group

Facsimile No.: (412) 338-6833
Electronic Transmission:
____

The PFI: West Virginia Housing Development Fund

Address: 5710 MacCorkle Avenue, SE

Charleston, WV 25304

Attention: Single-Family Loan Originations

Facsimile No.: 304-391-8788
Electronic Transmission:
____

[List authorized individuals, their respective roles, their addresses, e-mail addresses, telephone numbers and facsimile numbers.]