

NEVADA HOUSING DIVISION (NHD)
MBS PURCHASE PROGRAM
LENDER AGREEMENT

THIS LENDER AGREEMENT (this “*Agreement*”) is entered into as of _____, by and between the Nevada Housing Division, a division of the Department of Business and Industry of the State of Nevada (the “*Division*”), and the home mortgage lending institution executing this Agreement (the “*Lender*”), in connection with the Division’s MBS Purchase Program (the “*Program*”).

WHEREAS, the Division expects to make funds available to enable the Division to finance certain qualified FHA-insured, VA-guaranteed, USDA-RD-guaranteed, and Conventional HFA Preferred mortgage loans pursuant to the Program (the “*Mortgage Loans*”) through the acquisition of fully-modified mortgage-backed, pass-through certificates (the “*MBS Certificates*”) issued on behalf of and guaranteed as to timely payment of principal and interest by either the Government National Mortgage Association (“*GNMA*”) or the Federal National Mortgage Association (“*Fannie Mae*”); and

WHEREAS, eHousingPlus has been selected by the Division to serve as Program administrator (the “*Program Administrator*”); and

WHEREAS, the Lender wishes to participate in the Program and to make Mortgage Loans to qualified borrowers pursuant to the guidelines established for the Program by the Program Administrator with the approval of the Division (as modified from time to time, the “*Program Administrator’s Guidelines*”) which Mortgage Loans shall be eligible for pooling into MBS Certificates guaranteed by GNMA or Fannie Mae, as applicable;

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

Section 1. Covenant to Originate Mortgage Loans. The Lender hereby acknowledges its receipt on the date hereof of the Program Administrator’s Guidelines established in connection with the Program, also available on the secure online Lender portal for the Program maintained by the Program Administrator. The Division confirms that the Program Administrator’s Guidelines provided to the Lender most recently on or before the date hereof are the current form and modifications to such Program Administrator’s Guidelines will be timely provided, or made available, to the Lender. The Lender hereby covenants and agrees to originate Mortgage Loans in accordance with the Program Administrator’s Guidelines, including (without limitation) as of the date hereof the following requirements therein: (i) minimum 640 borrower FICO score, (ii) 20/45/70 day Mortgage Loan deadlines outlined in the Program Administrator’s Guidelines, (iii) \$98,500 borrower credit qualifying income limit, and (iv) \$400,000 maximum home purchase price limit. The Lender

further understands and acknowledges that there is no first-time homebuyer requirement nor federal recapture tax associated with the Program.

Section 2. Lender Compensation. The Lender's compensation for a Mortgage Loan originated under the Program shall equal 2.75% of the principal amount of the Mortgage Loan, comprising a 0.5% origination fee (or 0.5% discount fee) received at Mortgage Loan origination plus a 2.25% servicing release fee (SRP) received from U.S. Bank Home Mortgage, as Program servicer (the "Servicer"), upon purchase of the Mortgage Loan. VA-guaranteed Mortgage Loans will be purchased by the Servicer with a 1.75% SRP, and therefore Lender compensation of 2.25% will be obtained with respect to a VA-guaranteed Mortgage Loan under the Program. Conventional Mortgage Loans will be purchased by the Servicer with a 2.25% SRP, and therefore Lender compensation of 2.75% will obtain with respect to a Conventional Mortgage Loan under the Program.

Section 3. Down Payment Assistance. The Lender, on behalf of the Division, shall advance down payment and closing cost assistance at Mortgage Loan closing in an amount of up to 5.00% of the principal amount of the Mortgage Loan (the "DPA") to eligible borrowers in accordance with the terms of the Program Administrator's Guidelines. Such DPA shall be applied solely to a down payment on the Mortgage Loan and/or to closing costs. Eligible Mortgage Loans reserved and closed under the Program must be submitted by the Lender for purchase on behalf of the Division by the Servicer pursuant to the terms of the Program. The Servicer on behalf of the Division shall reimburse the Lender for the DPA advanced with respect to a Mortgage Loan upon its purchase from the Lender by the Servicer, and the Division in turn shall directly reimburse the Servicer for the DPA. The DPA is in the form of a 0% interest, 3-year forgivable second mortgage, equal to the applicable percentage of the note amount (based on the assistance selected) to apply toward down payment and/or closing costs. Assistance is forgiven over a three year period (principal forgiven monthly).a true grant/gift and is not repayable by the borrower. A DPA acknowledgement form or gift letter must be executed by the borrower.

Section 4. Findings of the Division. In connection with the implementation of the Program, the Division finds that:

- (a) there exists a shortage of decent, safe and sanitary housing at prices that eligible families can afford within the Division's jurisdiction.;
- (b) private enterprise and investment have been unable, without assistance, to provide an adequate supply of decent, safe and sanitary housing at prices that eligible families can afford within the Division's jurisdiction;
- (c) the Program will improve the quality of decent, safe and sanitary housing for eligible families;
- (d) the residential housing assistance provided pursuant to the Program will provide a public benefit;

(e) the estimates of revenues received by the Division pursuant to the Program, together with all other subsidies, grants or other financial assistance received in connection with the Program, are sufficient to pay the costs associated with the Program; and

(f) the DPA Grants are necessary and desirable for the Program and will facilitate accomplishment of the purposes and objectives of the Division.

Section 5. Amendment. This Agreement shall not be amended or otherwise modified except with the written consent of the parties hereto.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to conflict of law principles.

Section 7. Severability. If one or more provisions of this Agreement, or the applicability of any such provisions for any set of circumstances, shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

Section 8. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Division and the Lender have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

AUTHORITY:

NEVADA HOUSING DIVISION

By: _____

Name: Steve Aichroth

Title: Administrator

Date: _____

LENDER:

By: _____

Name:

Title:

Date: _____

**NEVADA HOUSING DIVISION (NHD)
LENDER AGREEMENT**

ADDENDUM

HOME IS POSSIBLE FOR FIRST-TIME HOMEBUYERS PROGRAM

This Addendum (this “*Addendum*”) to the Lender Agreement (the “*Agreement*”) between the Division and the Lender relates to the Division’s Home Is Possible for First-Time Homebuyers Program (the “*Program*”).

INTRODUCTION

(a) The Division is making funds available through the issuance of its Nevada Housing Division Single-Family Mortgage Revenue Bonds, Series 2019A (the “*Series 2019A Bonds*”) to enable the Division to finance certain qualified FHA-insured, VA-guaranteed, USDA-RD-guaranteed, and conventional mortgage loans pursuant to the Program (the “*Mortgage Loans*”).

(b) The Lender is participating in the Program by making Mortgage Loans to qualified borrowers pursuant to the guidelines established for the Program by eHousing Plus (“*Program Administrator*”) with the approval of the Division (as modified from time to time, the “*Program Guidelines*”) and selling such Mortgage Loans to U.S. Bank National Association, appointed as master servicer (the “*Master Servicer*”) by the Division pursuant to that certain Servicing Agreement (the “*Servicing Agreement*”).

(c) The Lender has entered into a Participating Lender Agreement (the “*Participating Lender Agreement*”) with the Master Servicer.

(d) The Lender will apply from time to time the Program Administrator for reservations (on a loan-by-loan basis) of Program funds (each a “*Reservation*”) to enable the Lender to sell Mortgage Loans (and, for funding, related Second Mortgage Loans) to the Master Servicer meeting the terms and conditions established for the Program by Division and as set forth in the Servicing Agreement, the Participating Lender Agreement, the Lender Guide (as defined in the Servicing Agreement) and the Program Guidelines (as the same may be amended from time to time, the “*Program Documents*”) the provisions of each of which are hereby incorporated by reference.

(e) Until the Lender is notified otherwise, the Division has directed the Program Administrator to accept Reservations from the Lender from time to time for the origination of Mortgage Loans (and related Second Mortgage Loans, if any) to be purchased by the Master Servicer in amounts requested by the Lender on a loan-by-loan basis.

ADDENDUM TO LENDER AGREEMENT

Section 1. Delivery of Program Guidelines. Accompanying this Addendum are the Program Guidelines established in connection with the Program, also available on the secure online Lender portal for the Program maintained by the Program Administrator. The Division shall notify the Lender of any changes made to the Program Guidelines.

Section 2 Origination of Mortgage Loans. The Lender shall originate Mortgage Loans and related Second Mortgage Loans in accordance with the Program Guidelines. The Division shall cause the Master Servicer to purchase Mortgage Loans and related Second Mortgage Loans (with the servicing released from Lender) for which a Reservation has been granted by the Program Administrator on behalf of the Division, provided each Mortgage Loan and Second Mortgage Loan meets the terms and conditions of the Program Documents.

Section 3. Servicing of Mortgage Loans. The Lender shall, with servicing released, transfer, in a form sufficient for the purchase thereof, the Mortgage Loan (and any related Second Mortgage Loan) to the Master Servicer in accordance with the Program Documents. Pursuant to the Servicing Agreement, the Master Servicer will perform all servicing functions relating to each Mortgage Loan (and related Second Mortgage Loan, if any) transferred to the Master Servicer.

Section 4. Tax Acknowledgments and Covenants.

(a) Because the Program is being funded with the proceeds of the Series 2019A Bonds, the interest on which the Division intends to be exempt from gross income for federal income tax purposes, the Program and the Mortgage Loans are subject to Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder.

(b) The Lender will not knowingly take any action or permit any action which is within its control to be taken which would impair the exemption from federal income taxation of interest on the Series 2019A bonds.

(c) The Lender (including a “related person” thereof, within the meaning of Section 144(a)(3) of the Code) shall not, pursuant to any arrangement, formal or informal, purchase any Series 2019A Bonds in any amount related to the amount of Mortgage Loans to be originated by the Lender.

(d) The Lender shall keep proper books, records and accounts in which complete and correct copies of all certificates and documents required to be filed with it hereunder shall be maintained and preserved. The Lender shall make such books and records available for inspection by the Division and the Master Servicer, during business hours and under reasonable conditions.

(e) Any review or approval by the Division or the Master Servicer of any Mortgage Loan or Second Mortgage Loan or the credit or tax compliance information in connection therewith shall not relieve the Lender of any responsibility or liability for the performance or nonperformance of its obligations under the Program Documents.

(f) The Lender shall comply with all federal and State laws in connection with the origination of Mortgage Loans and Second Mortgage Loans pursuant to the Program Documents and represents that it has in place any and all privacy policies as required by State or federal law.