

**NEVADA HOUSING DIVISION (NHD)  
MBS PURCHASE PROGRAM  
LENDER AGREEMENT**

THIS LENDER AGREEMENT (this “*Agreement*”) is entered into as of September 1, 2014, 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 (660 with respect to eligible Mortgage Loans for manufactured housing or 680 for conventional loans), (ii) 15/45/70 day Mortgage Loan deadlines outlined in the Program Administrator’s Guidelines, (iii) \$95,500 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 2.25% of the principal amount of the Mortgage Loan, comprising a 1.00% origination fee (or 1.00% discount fee) received at Mortgage Loan origination plus a 1.25% 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 0.75% SRP, and therefore Lender compensation of 1.75% will obtain with respect to a VA-guaranteed Mortgage Loan under the Program. Conventional Mortgage Loans will be purchased by the Servicer with a 1.00% SRP, and therefore Lender compensation of 2.00% will obtain with respect to a Conventional Mortgage Loan under the Program.

*Section 3. Down Payment Assistance Grant.* The Lender, on behalf of the Division, shall advance down payment and closing cost assistance at Mortgage Loan closing in an amount equal to up to 4.00% of the principal amount of the Mortgage Loan (the "*DPA Grant*") to eligible borrowers in accordance with the terms of the Program Administrator's Guidelines. Such DPA Grant 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 Grant 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 Grant. The DPA Grant is a true grant/gift and is not repayable by the borrower. A DPA Grant 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: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

LENDER:

\_\_\_\_\_

By

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_