

INSTRUCTIONS

Experience Summaries - A master form is provided. Reproduce a sufficient quantity for completion by each originator, loan officer, processor, underwriter, closed loan shipper, direct supervisor and Tennessee branch manager who will be responsible for THDA loan applications and files. PLEASE **DO NOT** SUBMIT COPIES OF RESUMES. Experience Summaries are not required for officers/managers who will not be directly responsible for THDA loan production. Retain a blank Experience Summary for future use.

Authorized Signatures - To be executed by all staff members who will be authorized to sign Note endorsements, Deed of Trust Assignments and related documents on behalf of Lender. Lender certifies that proper approval has been obtained by its Board of Directors, partners or other authorizing source (or shall be before such documents are submitted to THDA). Lender agrees to notify THDA in writing in regard to any additions or deletions from this list, and holds THDA harmless from relying on the most recent information provided by Lender. It is acceptable to submit multiple Authorized Signature forms. Reproduce this form and distribute for branch staff signatures, if necessary. Retain a blank form for future use.

Working Agreement - May not be altered or amended. Questions concerning the provisions of the Working Agreement should be directed to Ms. Lynn E. Miller, THDA Legal Counsel, at (615) 741-9605. Lender will be provided with a copy of the Working Agreement and Exhibit "A" after execution by THDA.

Exhibit "A" to the Working Agreement - Enter the address of each Tennessee office from which Lender proposes to originate, process, underwrite, close and/or deliver THDA loans. This form becomes a part of the Working Agreement. Notify THDA when offices close or new offices open. Only the offices listed will be authorized to conduct business in Tennessee on behalf of THDA.

Servicing Agreement – Questions concerning the provisions of the Servicing Agreement should be directed to Sharon Pommer, Director, Mortgage Administration at 615-741-4931.

Main Office/Branch Office - This listing allows THDA to initiate a database of contact persons and addresses. It also indicates much about the locations where various functions take place during loan processing.

Audit Report/Financial Statement - In addition to being an application requirement, all Originating Agents must submit their Audit Reports/ Financial Statements annually. Submit the latest report available. Regulated financial institutions may submit their latest published financial statement. Financial institutions: do not submit Call Reports.

Approvals - Copies of approval letters received more than 5 years ago from FHA, VA, USDA/RD, FHLMC and/or FNMA are not required.

Certificate of Registration - ("Lending license") A requirement of the Tennessee Department of Insurance and Banking. It is Lender's responsibility to determine their inclusion or exemption from this regulation. This is an annual requirement.

Certificate of Existence or Certificate of Authorization – Issued by the Tennessee Secretary of State's Office. This is an annual requirement.

INSTRUCTIONS CONT'D

Fidelity Bond, Errors & Omissions Insurance, Mortgage Bankers Blanket Bond - Provide evidence of one to the three types of coverage, in the amount of \$300,000 or more. Copies of entire policies are not required; however, as a minimum, submit copies of pages showing 1) the named insured, 2) the expiration date, 3) the type of coverage and 4) the amount of coverage. Binders are not acceptable. Do not submit copies of incidental pages that indicate other types of coverage, such as Officers and Directors Liability, auto insurance, property insurance, etc. A copy of a \$25,000 bond that was posted with the Tennessee Department of Insurance and Banking for the purpose of obtaining a Certificate of Registration does not satisfy this requirement.

Closing Protection Letter(s) - This form letter is issued by a Title Insurance Company, and names your settlement agent, closing attorney or attorney's practice. Its purpose, in part, is to indicate that your settlement agent is authorized to issue the Title Insurance Company's policies and endorsements. Usually, the settlement agent obtains these letters. Request that these letters be addressed to your company, not to THDA.

HUD 11701 - Approved FHA lenders without a DE Underwriter on staff must secure a "sponsoring lender" to perform FHA underwriting. The form that is evidence of this approved arrangement is the 11701. If this applies, submit a copy of the noted form that was signed by your company, and HUD.

Line of Credit - Lenders that are not regulated financial institutions must submit copies of one or more letters that indicate an approved line(s) of credit in the aggregate minimum amount of \$500,000.

OA APPLICATION SUBMISSION CHECKLIST

(Incomplete applications will be returned. Please submit in the following order.)

Lender's Name: _____

- _____ Application, completed and signed, with notary or corporate seal
- _____ Experience Summaries for each staff member who will be involved with THDA loans.
- _____ Authorized Signatures Form(s)
- _____ Working Agreement, signed
- _____ Exhibit "A" to the Working Agreement listing your Tennessee offices that will originate, process and submit THDA loans.
- _____ Agreement as to THDA Servicer
- _____ Copy of Agreement between your company and a THDA Servicer, executed by both parties.

- _____ Main Office/Branch Office Information
- _____ Most recent Audit Report and Financial Statement. Regulated Financial institutions may submit their most recent published Annual Report.
- _____ Copy of HUD, VA, USDA/RD, FHLMC and/or FNMA approvals (if less than 5 years ago)
- _____ Current License or Certificate of Registration from the Tennessee Department of Financial Institutions (if applicable).
- _____ Current Certificate of Existence or certificate of Authorization from the Tennessee Secretary of State's Office.
- _____ Copy of current Fidelity Bond, Errors & Omissions Insurance policy, or Mortgage Bankers Blanket Bond in the amount of \$300,000 or more.
- _____ Copies of Closing Protection Letter(s) (a.k.a. Insured Closing Service Agreement) from Title Insurance Companies for each closing agent that Lender will use to close THDA loans (addressed to Lender, not THDA).

Enclosed N/A

- _____ _____ Copy of HUD Form 11701 signed by HUD (if another lender will underwrite your company's FHA loans). _____
- _____ _____ If Lender is not a financial institution, current letter (file copy OK) from Lender's warehouse lender stating a line of credit in the minimum amount of \$500,000

THDA Contacts: Application questions: Ed Lozier, 615-815-2082
 Servicing questions Sharon Pommer, 615-815-2078

TENNESSEE HOUSING DEVELOPMENT AGENCY
APPLICATION TO BECOME AN ORIGINATING AGENT

The Undersigned (hereinafter referred to as "Lender"), in order to induce the Tennessee Housing Development Agency ("THDA") to consider and approve it to serve as an Originating Agent to originate, process, deliver, close, document and insure/guarantee home loans for THDA pursuant to the Tennessee Housing Development Act, hereby certifies as follows:

1.a. Name of Lender: _____
Address: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____ - _____
Toll Free Number: _____ Telephone Number: (____) _____ - _____
Fax Number: (____) _____ - _____ Internet E-mail Address _____

b. Lender is a: ___ Bank ___ Savings Bank/S&L ___ Credit Union ___ Mortgage Company ___ Mortgage Broker

c. Lender's legal status (check or "X" one of the four choices):

___ Sole Proprietorship. In business since _____.

Name of Owner: _____

Owner's residence address: _____

___ Partnership organized on _____, under the laws of the state of _____.

List all partners:

NAME	RESIDENCE ADDRESS	OWNERSHIP	% OF
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

___ Corporation organized on _____, under the laws of the state of _____.

Registered with the Tennessee Secretary of State? ___ Yes ___ No

* Name of Registered Agent: _____

* Registered Agent's Address: _____

___ LLC (Limited Liability Corporation) organized on _____,
under the laws of the state of _____.

Registered with the Tennessee Secretary of State? ___ Yes ___ No

• Name of Registered Agent: _____

• Registered Agent's Address: _____

* Lender's corporate Registered Agent of record with the Tennessee Secretary of State, pursuant to T.C.A. 48-1103 and T.C.A. 48-1201.

2. Principals of Lender: List below the names and addresses of principal officers ,partners (if not entered under "Partnership" above), directors, and stockholders who hold or control, directly or indirectly, five percent (5%) or more of any class of stock: (Attach additional page, if necessary.)

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>	<u>TITLE</u>	<u>% INTEREST</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

3. Financial data:

a. Lender's fiscal year ends _____. Audited financial statements are available each year on or about _____.

If this application is approved, the name of the person who will assure that THDA receives copies of annual audited financial statements is: _____ Telephone _____

b. Is Lender required to file periodic reports with the Securities and Exchange Commission, Federal Reserve Board, or any other federal or state regulatory body?

____No ____Yes (State which ones)

c. If Lender is a financial institution, are deposits insured?

____No ____Yes By whom? _____
____Not a financial institution

d. Is Lender a subsidiary or component of another corporation?

____No
____Yes. Corporation's name: _____
Address: _____

Current Assets: \$_____

Current Liabilities: \$_____

Net Worth: \$_____

e. List the source and frequency of all audits and/or examinations to which Lender is subject:

4. Does Lender's full-time staff include a person whose major duties include responsibility for internal audit functions?
 No Yes
 Internal Auditor's name _____ telephone _____
5. Has Lender adopted a mortgage lending Quality Control Plan?
 No Yes
6. Has Lender been approved to be a THDA Originating Agent in the past?
 No Yes. From/to: _____
7. Lender proposes to originate THDA loans in the following Tennessee counties:
8. a. Is Lender an approved HUD/FHA Title II mortgagee?
 No Yes. Date of approval : _____ . FHA # _____
 _____ Loans underwritten by staff DE Underwriter(s)
 _____ Sponsored by _____
 _____ Sponsor's FHA # _____ . (Enclose a copy of the HUD Form 92001-E approved by FHA.)
- During the preceding year, Lender originated _____ FHA loans totaling \$ _____, of which _____ loans were either originated for or sold to investors. (Approximate amounts OK.)
- b. Is Lender a VA-approved mortgagee?
 No
 Yes. Date of approval: _____ . VA ID # _____
 _____ Lender submits loans to VA office for approval.
 VA Automatic lender.
- During the preceding year, Lender originated _____ VA loans totaling \$ _____, of which _____ loans were either originated for or sold to investors. (Approximate amounts OK.)
- c. Is Lender a USDA/RD-approved mortgagee?
 No
 Yes. Date of approval: _____
- During the preceding year, Lender originated _____ USDA/RD loans totaling \$ _____, of which _____ loans were either originated for or sold to investors. (Approximate OK.)
- d. Is Lender a FNMA and/or FHLMC-approved Seller/Servicee?
 No
 Yes. Approval date(s): _____
 Seller/Servicee # (s) _____
- During the preceding year, Lender sold _____ loans to FNMA and/or FHLMC totaling \$ _____.
 (Approximate figures OK.)

e. Lender holds master policies for Private Mortgage Insurance with the following companies:

<u>FIRM</u>	<u>POLICY #</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

During the preceding year, Lender originated _____ insured conventional loans totaling \$_____, of _____ which _____ were either originated for or sold to investors. (Approximate OK.)

f. In connection with the portfolio of single-family residential mortgage loans that he Mortgage Lender currently services, indicates the following:

a. Number of mortgages Aggregate principal amount
Loans serviced of mortgage loans serviced

b. Delinquencies (expressed as a percent of the total):
 30 days____ 120 days or more ____
 60 days____ In foreclosure ____
 90 days____

c. Institutional investors or loan correspondents for whom lender is authorized to originate and/or sell first mortgage loans:

<u>NAME</u>	<u>ADDRESS</u>	<u>DATE OF APPROVAL</u>
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g. Lender belongs to the following professional mortgage organizations:

- ____ Mortgage Bankers Association of America
- ____ Tennessee Mortgage Bankers Association
- ____ local Mortgage Bankers Association
- ____ other: _____

9.. Has Lender, or any individual officer, employee, owner, director or 5%-or-more stockholder ever been suspended, terminated, barred or otherwise sanctioned by FHA, VA, USDA/RD, FHLMC, FNMA, a PMI company or a private investor?

____No ____Yes (Attach full details)

10. Lender's Mortgage Loan Staff

The following staff members will perform the indicated functions (continue on an attached sheet if necessary):

Day-to-day direct supervisor of loan origination:

_____ Telephone: _____

Staff member who will become familiar with THDA's programs and procedures and will be responsible for training other staff members:

_____ Telephone: _____

Loan Officers who counsel and interview potential applicants:

NAME	FULL-TIME STAFF MEMBER?	COMMISSIONED?
_____	_____	_____
_____	_____	_____
_____	_____	_____

Processing Supervisor and staff members who are Loan Processors:

_____ Telephone: _____
 _____ Telephone: _____

Staff members who are FHA DE Underwriter(s):

_____ Telephone: _____
 _____ Telephone: _____

Staff members who are VA Automatic Underwriter(s):

_____ Telephone: _____
 _____ Telephone: _____

Staff members who underwrite USDA/RD and Conventional loans:

_____ Telephone: _____
 _____ Telephone: _____

Staff members who prepare loan closing instructions for settlement agents:

_____ Telephone: _____
 _____ Telephone: _____

Staff members who are responsible for assuring accuracy of closed loan documents and who ship loan files to investors:

_____ Telephone: _____
 _____ Telephone: _____

Staff members who ship servicing files to loan servicers:

_____ Telephone: _____
 _____ Telephone: _____

Staff members who submit for FHA MIC, PMI insurance certificate, VA LGC and/or USDA/RD 1980-18:

_____ Telephone: _____

_____ Telephone: _____

STATE OF _____)
COUNTY OF _____)

The undersigned hereby certifies that the information set forth in this application, and any attachments in support thereof, is true, correct, and complete to the best of his or her knowledge and belief.

Signature _____ Title _____

Typed Name _____ Date _____

ATTESTED _____
Corporate Seal or Notary

EXPERIENCE SUMMARY

(Reproduce for each staff member who will be involved with THDA loans.)

(Execute in full. DO NOT enclose or attach personal resumes.)

Name of Lender: _____ Branch _____

Individual's name:

Social Security Number:

Previous surname(s) used in mortgage loan career:

Length of time with this Lender:

Present Job Title:

Previous Job Title(s) with this Lender:

DE Underwriter? ___No ___Yes DE# _____

Certified Mortgage Banker? ___No ___Yes Award date _____

Other designations related to mortgage lending:

Prior mortgage loan employment:

<u>COMPANY</u>	<u>THDA LENDER?</u>	<u>CITY, STATE</u>	<u>JOB TITLE</u>	<u>DATES</u>
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Names of mortgage lending seminars, workshops, class or home study courses completed:

Mortgage trade group memberships or participation. Have you served as an officer of such group?

Have you ever been suspended, terminated, barred or otherwise sanctioned by HUD/FHA, VA, USDA/RD, a PMI company, an investor or lender?

_____ No _____ Yes (explain in detail on attached sheet)

I hereby certify that the information provided, including any attachments hereto, is factual and complete to the best of my knowledge. I grant THDA permission to verify this information.

Signature: _____ Date: _____

Lender Name: _____ Date: _____

The following offices shall be involved with originating, processing, underwriting, pre-closing, post-closing and/or ensuring/guaranteeing THDA loans: (make additional copies if necessary)

SUPERVISING OUT-OF-STATE OFFICE:

Street Address: _____

Mailing Address: _____

City: _____ State _____ Zip _____ - _____

Toll Free Number: _____ Telephone Number: (____) _____ - _____

Fax Number (____) _____ - _____ Internet E-mail Address: _____

Underwriters: _____ Supervisor _____

Closed Loan Shippers: _____

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MAIN TENNESSEE OFFICE:

Street Address: _____

Mailing Address: _____

City: _____ State _____ Zip _____ - _____

Toll Free Number: _____ Telephone Number: (____) _____ - _____

Fax Number (____) _____ - _____ Internet E-mail Address: _____

Underwriters: _____ Supervisor _____

Closed Loan Shippers: _____

.....
TENNESSEE BRANCH:

Street Address: _____

Mailing Address: _____

City: _____ State _____ Zip _____ - _____

Toll Free Number: _____ Telephone Number: (____) _____ - _____

Fax Number (____) _____ - _____ Internet E-mail Address: _____

Underwriters: _____ Supervisor _____

Closed Loan Shippers: _____

**TENNESSEE HOUSING DEVELOPMENT AGENCY
ORIGINATING AGENT WORKING AGREEMENT**

This Originating Agent Working Agreement is effective as of this _____ day of _____, 20__ (the "Agreement") between the Tennessee Housing Development Agency ("THDA") and _____ at the locations shown on Exhibit A which is attached hereto and incorporated hereby by this reference (collectively, the "Originating Agent").

WITNESSETH:

WHEREAS, THDA, pursuant to Tennessee Code Annotated Sections 13-23-101 et seq. (the "Act"), is authorized to make or to participate in the making of insured mortgage loans to qualified sponsors, developers, builders, and purchasers or to purchase such loans ("THDA Mortgage Loans"); and

WHEREAS, Originating Agent wishes to originate, process and close THDA Mortgage Loans in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the premises and compensation to Originating Agent as set forth herein, the parties agree as follows:

1. Receipt of Program Announcement. Originating Agent acknowledges receipt of notice from THDA regarding the existence of THDA's mortgage loan programs and THDA's willingness to enter into agreements with lenders who are qualified to act as originating agents on behalf of THDA.
2. THDA Responsibilities Contingent upon the Sale of THDA Bonds or Notes. All THDA responsibilities and duties under this Agreement are contingent upon the successful sale of THDA's Bonds or Notes as defined in the Act. THDA reserves the right to directly make mortgage loans pursuant to the Act.
3. Authority of Originating Agent.
 - a. THDA hereby designates and appoints Originating Agent to act as THDA's non-exclusive agent to:
 - (i) conduct all activities required herein in strict compliance with THDA requirements and procedures as set forth in this Agreement, the Tennessee Housing Development Agency Originating Agent's Guide dated September, 2004, as amended or modified from time to time (the "O.A. Guide"), letters of instruction or memoranda issued by THDA from time to time, THDA Rules of Practice (as defined in the Rules of the Tennessee Housing Development Agency 0770-1-1-.02), any other instructions from THDA, or any other applicable federal or state laws, statutes, rules or regulations, all as currently in effect or as may be amended or supplemented from time to time (collectively, the "THDA Requirements and Procedures");
 - (ii) originate THDA Mortgage Loans;
 - (iii) process and submit complete applications from eligible borrowers for THDA Mortgage Loans;
 - (iv) close THDA approved Mortgage Loans in strict compliance with the THDA commitment issued in connection with each THDA Mortgage Loan application (the "THDA Commitment");
 - (v) close THDA Mortgage Loans in accordance with the requirements for the purchase method as described in the O.A. Guide; and
 - (vi) submit all required documentation for closed THDA Mortgage Loans in accordance with the O.A. Guide.
 - b. Originating Agent is and shall, at all times, be an independent contractor acting on its own behalf and for its own account, free from supervision, direction or control by THDA. Originating Agent is without authority, express or implied, to act for or on behalf of THDA in any capacity other than for the purposes expressly set forth in this Agreement, in the O.A. Guide or as may be authorized by THDA in writing.

- c. THDA may, expressly and in writing, vary, add to, or waive all or any part of Originating Agent's performance hereunder. No waiver shall be deemed a continuing waiver nor shall the failure on the part of THDA to exercise, wholly or in part, any rights hereunder prevent a later exercise of such, or any other right.
 - d. Originating Agent is not authorized to waive or vary any term, condition or requirement of the THDA Requirements and Procedures, the O.A. Guide, any THDA Commitment, any THDA Mortgage Loan or any document evidencing or securing a THDA Mortgage Loan, without the prior written consent of THDA.
 - e. Originating Agent is authorized to originate THDA Mortgage Loans only from those locations specified in Exhibit A, which is attached hereto and incorporated herein by this reference.
 - f. If Originating Agent engages others to perform activities or services in connection with originating, processing and closing THDA Mortgage Loans, Originating Agent shall, nevertheless, insure that all THDA Mortgage Loans meet all THDA Requirements and Procedures. Originating Agent is and shall remain solely and directly liable to THDA for full performance under this Agreement and for meeting all THDA Requirements and Procedures, regardless of activities or services performed by others. THDA shall have no obligation to pursue others, in addition to or instead of Originating Agent, in the event activities conducted or services performed fail to meet the requirements of this Agreement or all THDA Requirements and Procedures.
 - g. Originating Agent acknowledges that THDA may, in its sole discretion, decline to purchase any mortgage loan offered by Originating Agent to THDA.
4. Duties and Responsibilities of Originating Agent.
- Originating Agent shall have the following duties and responsibilities:
- a. Establish and maintain eligibility to act as an originating agent for THDA.
 - b. Originate, process and close THDA Mortgage Loans in strict compliance with THDA Requirements and Procedures.
 - c. Protect THDA's interests with respect to each THDA Mortgage Loan.
 - d. Insure that all personnel with any responsibility for THDA Mortgage Loans meet the requirements of T.C.A. 45-13-101 et seq. and are familiar with and comply, in all respects, with all THDA Requirements and Procedures.
 - e. Hold all funds or documents received in connection with THDA Mortgage Loans in trust for the sole benefit of THDA and release or disburse such funds or documents only in compliance with THDA Requirements and Procedures.
 - f. Deliver all required documents after THDA Mortgage Loans are closed, in strict compliance with THDA Requirements and Procedures.
 - g. Generally do and perform or cause to be done and performed all things necessary, required or desirable to insure proper and efficient originating, processing and closing of THDA Mortgage Loans and delivery of all required documents and do or perform or cause to be done or performed any and all other services necessary, required or desirable to comply with THDA Requirements and Procedures.
 - h. Assist unsuccessful applicants for THDA funding in identifying other potential sources for mortgage financing, provided, however, this Agreement does not create, and shall not be deemed to create, a relationship between either of the parties to this Agreement and any unsuccessful applicant for THDA funding or other third party in the nature of a third party beneficiary or fiduciary relationship.
5. Compensation. Originating Agent may charge the following fees in connection with a THDA Mortgage Loan:
- a. An application fee in an amount not to exceed the amount set forth in the O.A. Guide;
 - b. An originating fee to be imposed at the closing of a THDA Mortgage Loan in an amount not to exceed the amount set forth in the O.A. Guide;
 - c. Other fees only as expressly authorized in the O.A. Guide.

6. THDA Processing. THDA will process and review applications for THDA Mortgage Loans once all documentation required to complete the application is received by THDA. If a complete application meets all THDA Requirements and Procedures and is approved by THDA, THDA will use its best efforts to expeditiously deliver a THDA Commitment to Originating Agent for each approved application.
7. Servicing THDA Mortgage Loans. THDA Mortgage Loans shall be serviced, after closing, only by a servicing agent duly approved and authorized by THDA (a "THDA Servicer"). No transfer of servicing rights shall be effective without THDA's prior approval. Originating Agent shall deliver to the designated THDA Servicer all documents required by the THDA Servicer immediately following the closing of each THDA Mortgage Loan.

In the event this Agreement is terminated, Originating Agent shall transfer all servicing rights with respect to THDA Mortgage Loans as directed by THDA.

Notwithstanding the foregoing, upon written notice from THDA, Originating Agent shall transfer all servicing rights with respect to THDA Mortgage Loans directly to THDA.

8. Establishing and Maintaining Eligibility as an Originating Agent.

To establish and maintain eligibility as a THDA originating agent, Originating Agent shall:

- a. have and maintain capacity, personnel and business office(s) located within the State of Tennessee sufficient to originate, process, and close THDA Mortgage Loans in compliance with THDA Requirements and Procedures;
 - b. utilize only personnel who are licensed or registered, as applicable, pursuant to T.C.A. 45-13-101, et seq;
 - c. be and remain an FDIC-insured financial institution authorized under the laws of the State of Tennessee to make residential mortgage loans on homes located in Tennessee or remain an entity licensed or registered under T.C.A. Section 45-13-101, et seq. to make residential mortgage loans on homes located in Tennessee;
 - d. have and maintain approval as a lender or seller/servicer by FHA, VA, FNMA, FHLMC and/or USDA/RD;
 - e. have and maintain a tangible net worth acceptable to THDA;
 - f. have and maintain Errors and Omissions insurance acceptable to THDA, in its sole discretion, or, at the election of THDA, be bonded in an amount acceptable to THDA, in its sole discretion;
 - g. meet THDA requirements for annual re-certification;
 - h. provide additional information as requested by THDA; and
 - i. comply with THDA Requirements and Procedures, the O.A. Guide and this Agreement.
9. Audits/Reports. At any time during normal business hours as THDA may deem necessary, Originating Agent shall make available for examination all of its books, records and documents, including, without limitation, all audit, accounting or financial analysis workpapers, notes and other documents, with respect to all THDA Mortgage Loans originated, processed and closed and with respect to serving as a THDA Originating Agent. THDA or its duly authorized representative shall be permitted to audit, examine and make excerpts or transcripts from such books, records and documents and audit all contracts, invoices, checks and materials relative thereto.
 10. Warranties and Representations Regarding Originating Agent Status. Originating Agent, for the benefit of THDA, makes the following representations and warranties as of the effective date hereof and as of the date of submission of materials for each annual re-certification. Originating Agent intends for THDA to rely solely on the following representations and warranties, together with materials and information supplied by Originating Agent, to initially approve or annually re-certify Originating Agent:
 - a. All information and materials submitted by Originating Agent to THDA to induce THDA to enter into and continue this Agreement are true and accurate in all material respects.

- b. Originating Agent is, and all relevant personnel of Originating Agent are, duly authorized and lawfully qualified to engage in the business of originating, processing and closing residential mortgage loans in the State of Tennessee.
 - c. Originating Agent maintains and shall, throughout the term of this Agreement, continue to maintain an office or offices in Tennessee, at the locations set forth in Exhibit A, each with a full time staff authorized and qualified to carry out all duties of Originating Agent hereunder.
 - d. Prior to submitting each application for a THDA Mortgage Loan, Originating Agent shall determine that the proposed mortgage loan is not available from the Originating Agent on reasonably equivalent terms and conditions.
 - e. Originating Agent shall receive and process applications for THDA Mortgage Loans from all applicants who qualify as low and moderate income persons when such applicants and applications also meet all other THDA Requirements and Procedures.
 - f. Originating Agent shall notify THDA immediately upon receipt of information leading it to believe any of its representations or warranties herein are inaccurate or misleading.
11. Warranties and Representations Regarding Each THDA Mortgage Loan. Originating Agent intends for THDA to rely solely on information supplied by Originating Agent in determining whether to approve any THDA Mortgage Loan application submitted by Originating Agent and whether to issue a THDA Commitment therefor. Originating Agent, therefore, by submitting a THDA Mortgage Loan application to THDA for approval, makes the following representations and warranties, for the benefit of THDA, with respect to each THDA Mortgage Loan application submitted:
- a. The THDA Mortgage Loan application is complete and complies in all respects with THDA Requirements and Procedures.
 - b. The THDA Mortgage Loan application does not contain and Originating Agent has no information about the applicant or the THDA Mortgage Loan that would detract from the applicant's creditworthiness.
 - c. The THDA Mortgage Loan application does not contain and Originating Agent has no information concerning the real property proposed for purchase with the THDA Mortgage Loan, if and when made, which would materially lessen the extent of THDA's security, if and when the THDA Mortgage Loan is closed.
 - d. The THDA Mortgage Loan application does not contain and Originating Agent has no information that would adversely affect the marketability of the THDA Mortgage Loan or the real property proposed for purchase with the THDA Mortgage Loan, if and when made.
 - e. The THDA Mortgage Loan application does not contain and Originating Agent has no information indicating that the THDA Mortgage Loan, if and when made, would not comply with THDA Requirements and Procedures.
 - f. Originating Agent complied with all applicable federal, state and local laws, statutes, ordinances, rules and regulations currently in effect or as may be amended or supplemented from time to time in originating, processing and closing each THDA Mortgage Loan.
12. Default/Remedies.
- a. Any one of the following events shall constitute a default by Originating Agent hereunder:
 - (i) A first payment default on a THDA Mortgage Loan purchased by THDA from Originating Agent. THDA's determination as to the existence of any such first payment default, regardless of cause, shall be conclusive.
 - (ii) Originating Agent's failure to provide all required documents to THDA on or before the earlier of any specific deadline established by THDA or one hundred twenty (120) days from the date the THDA Mortgage Loan is closed or as otherwise specified in the O.A. Guide.

- (iii) THDA's determination, in its sole discretion, that any THDA Mortgage Loan made by Originating Agent was made to an ineligible borrower or was otherwise not made in compliance with THDA Requirements and Procedures.
- (iv) Originating Agent's failure, at any time, to refund monies due to THDA in a timely fashion.
- (v) Originating Agent's failure, at any time, to comply with this Agreement or with THDA Requirements and Procedures.

Upon the occurrence of any such default, determined in THDA's sole discretion, (i) Originating Agent shall, upon demand, immediately repurchase any THDA Mortgage Loan made by it at 100% of the outstanding principal balance plus any delinquent interest and other charges with respect to the THDA Mortgage Loan, or (ii) THDA may refuse to purchase the mortgage loan or any mortgage loan offered to THDA by Originating Agent.

- b. In the event Originating Agent fails to comply with this Agreement or with THDA Requirements and Procedures or if Originating Agent fails to establish or maintain eligibility to act as an originating agent, all as determined in THDA's sole discretion, THDA may, at THDA's election, and instead of or in addition to the above:
 - (i) Limit or suspend Originating Agent's ability to originate, process and close THDA Mortgage Loans; or
 - (ii) Terminate this Agreement at any time without penalty or payment by THDA.
 - c. Originating Agent shall be liable for damages suffered by THDA if Originating Agent knowingly made or makes any false statements, misrepresentations or material omissions, or breached or breaches any warranty or representation made in originating and processing a THDA Mortgage Loan application or in closing a THDA Mortgage Loan. If THDA determines that it suffered damages, THDA, shall give written notice of such damages to Originating Agent. Originating Agent shall have five days from the date of the notice to request a hearing before the Executive Director or a designee for a final determination of damages. Damages so assessed shall be an obligation of Originating Agent and shall be immediately due and payable to THDA. If THDA seeks recovery of such damages by suit in the courts, the determination by THDA of liability and the amount of damages shall be modified only upon a showing that the preponderance of the evidence is against THDA's determination.
 - d. All remedies of THDA herein are cumulative and are in addition to any other rights or remedies available at law or in equity. No exercise of or failure to exercise any right or remedy herein shall preclude further exercise thereof by THDA.
 - e. Notwithstanding anything to the contrary contained herein, in the event of any default or breach by Originating Agent, THDA may, in its sole discretion, elect to (i) seek specific performance of this Agreement; (ii) seek injunctive relief; (iii) pursue damages at law; or (iv) sue for any other remedy or relief available at law or in equity.
 - f. In the event THDA seeks enforcement of this Agreement, THDA shall be entitled to recover all costs, expenses and fees, including without limitation, all court costs and all attorneys fees.
13. Captions and Headings. The captions and headings to the paragraphs in this Agreement are included for convenience and reference only, and in no way define or limit any of the provisions or otherwise affect their construction or effect.
14. Governing Law. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Tennessee.
15. Assignment or Transfer. Originating Agent shall not assign or transfer, in whole or in part, this Agreement or Originating Agent's duties or obligations hereunder without the prior written consent of THDA, which consent may be withheld at THDA's sole discretion.
16. Change in Ownership or Structure. Originating Agent shall notify THDA of any name change, any change in ownership, any change in organizational structure, any change with respect to geographic location or office location, or any change with respect to personnel of Originating Agent involved in originating, processing or closing THDA Mortgage Loans at any of the locations shown on Exhibit A at least thirty (30) days prior to the effective date of any such change. Originating Agent shall promptly provide all information and documentation THDA may

reasonably require to demonstrate Originating Agent's or any successor, successor in interest, transferee or assignee continued eligibility and suitability to act as an originating agent for THDA Mortgage Loans. THDA may, at its sole discretion, elect to (i) continue this Agreement with Originating Agent or approved successor, successor in interest, transferee or assignee; (ii) require Originating Agent or approved successor, successor in interest, transferee or assignee to execute a new Agreement or appropriate amendments hereto, if Originating Agent or approved successor, successor in interest, transferee or assignee wishes to continue to originate, process and close THDA Mortgage Loans; or (iii) terminate this Agreement with no additional compensation to Originating Agent or approved successor, successor in interest, transferee or assignee.

17. Entire Agreement. This Agreement, together with the THDA Requirements and Procedures, which are incorporated herein by this reference as if set forth herein verbatim, constitutes the entire agreement between THDA and Originating Agent. Neither this Agreement nor any of its provisions may be modified, changed or waived except by a written instrument executed by the party against whom enforcement of the change, waiver or discharge is sought; provided, however; THDA may modify Exhibit A hereto, without a written instrument executed by Originating Agent, based on information submitted by or obtained from Originating Agent. Further, THDA may modify the O.A. Guide and THDA Requirements and Procedures, in THDA's sole discretion, and all such modifications shall be binding upon Originating Agent, without a written instrument executed by Originating Agent, upon notice provided as specified herein.
18. Term of Agreement. The authority of Originating Agent to originate, process and close THDA Mortgage Loans under this Agreement shall be for an initial term beginning on the date hereof and extending until the date of the first annual re-certification required by THDA. Thereafter, the authority of Originating Agent to originate, process and close THDA Mortgage Loans under this Agreement shall be for successive one year terms beginning on the date of each subsequent annual re-certification approved by THDA, unless this Agreement is otherwise terminated. THDA, at its sole discretion, shall determine whether Originating Agent remains eligible to act as an originating agent for THDA.

Any Originating Agent who fails to submit all material required or requested by THDA for the purpose of annual recertification or who is determined by THDA, in its sole discretion, to be ineligible to act as an originating agent for THDA shall have no authority, express or implied, to act for or on behalf of THDA in any capacity in connection with originating, processing or closing any THDA Mortgage Loan or any THDA Mortgage Loan application.

Notwithstanding the foregoing, Originating Agent shall remain liable for all THDA Mortgage Loans originated, processed or closed by Originating Agent, its successors, successors in interest and assigns, including, without limitation, the obligation to repurchase as specified in Paragraph 12 herein, regardless of originating agent status hereunder and regardless of the status of this Agreement. This provision shall survive any termination or expiration of this Agreement and shall, with respect to each THDA Mortgage Loan, extend until (i) the principal and interest of the THDA Mortgage Loan is paid in full; or (ii) proceedings to foreclose the THDA Mortgage Loan are terminated finally; or (iii) THDA obtains title to property securing a THDA Mortgage Loan in lieu of foreclosure; or (iv) the THDA Mortgage Loan is assigned to HUD, VA, FHA, USDA/RD, a private mortgage insurer or a hazard insurer under a contract of insurance or guaranty.

19. Compliance with Applicable Law. Originating Agent shall, at all times, comply with all applicable Federal, state and local laws, statutes, ordinances, rules, and regulations currently in effect or as may be amended or supplemented from time to time.
20. Indemnification. If, at any time, any claim, demand, action or legal proceeding is threatened or instituted against THDA by reason of, or in connection with, any conduct, error, action, failure to act, or omission on the part of Originating Agent, whether such conduct, error, action, omission or failure to act be in connection with the originating, processing or closing of any THDA Mortgage Loan or otherwise, Originating Agent shall defend and hold THDA harmless from any and all loss, liabilities, damages and expenses including, without limitation, the amount of any judgments, fines or penalties, plus any costs and interest thereon, as well as any and all attorney's fees and all other costs or disbursements paid or incurred in connection therewith, including without limitation, all court costs.
21. Notice. Notices from THDA to Originating Agent shall be deemed given when sent to Originating Agent via facsimile transmission to the most recent facsimile number provided by Originating Agent as reflected in THDA files, or when placed in first class U.S. Mail addressed to Originating Agency at the address set forth below, or when sent to Originating Agent via email to the most recent email address provided by Originating Agent as reflected in THDA files. Notices from THDA to Originating Agent shall also be deemed given when posted by THDA on its website at www.thda.org. Notices from Originating Agent to THDA shall be deemed given when

received by the THDA Single Family Programs Division at the facsimile number specified in the O.A. Guide or addressed to the attention of the Single Family Programs Division as set forth below. Such addresses may be changed from time to time by either party by giving written notice of such change, addressed as provided herein.

Originating Agent: _____

THDA: Laura B. Sinclair, Senior Director
Single Family Programs Division
404 James Robertson Parkway, Suite 1200
Nashville, TN 37243-0900

22. Financial and Insurance Representations and Warranties. To induce THDA to approve or re-certify Originating Agent hereunder, Originating Agent submitted, and intends for THDA to rely upon, certain consolidated financial statements and evidence of insurance submitted for _____, the entity who owns Originating Agent (the "Parent") in fulfillment of the THDA requirements to become or remain an originating agent hereunder. In connection therewith, Parent joins in this Agreement for the purpose of representing and warranting to THDA that Parent is responsible for obligations Originating Agent may have to THDA hereunder in the event Originating Agent is unable or unwilling to fulfill such obligations, including, without limitation, Originating Agent's obligation to repurchase under Paragraph 12 hereof.

IN WITNESS whereof, THDA and Originating Agent have hereunto caused this Agreement to be executed by its duly authorized officer, on the day and date above first written.

(Originating Agent Name)

By: _____

Name: _____

Title: _____

(Parent)

By: _____

Name: _____

Title: _____

TENNESSEE HOUSING DEVELOPMENT AGENCY

By: _____
Laura B. Sinclair, Senior Director
Single Family Programs

EXHIBIT A

ORIGINATING AGENT LOCATIONS AUTHORIZED TO ORIGINATE THDA MORTGAGE LOANS

List each location: (Please make copies if additional space is required).

Originate Process Underwrite Other: _____

Name: _____

Contact Person: _____

Title: _____

Address: _____

Mailing Address: _____

City: _____

State: _____ Zip: _____

Telephone Number: (_____) _____ - _____

Fax Number: (_____) _____ - _____

Internet E-Mail Address: _____

Toll Free Number: _____

Originate Process Underwrite Other: _____

Name: _____

Contact Person: _____

Title: _____

Address: _____

Mailing Address: _____

City: _____

State: _____ Zip: _____

Telephone Number: (_____) _____ - _____

Fax Number: (_____) _____ - _____

Internet E-Mail Address: _____

Toll Free Number: _____

Originate Process Underwrite Other: _____

Name: _____

Contact Person: _____

Title: _____

Address: _____

Mailing Address: _____

City: _____

State: _____ Zip: _____

Telephone Number: (_____) _____ - _____

Fax Number: (_____) _____ - _____

Internet E-Mail Address: _____

Toll Free Number: _____

Tennessee Housing Development Agency (THDA)

Agreement As To THDA Servicer

This Agreement between THDA and _____, Originating Agent, is an attachment to the Originating Agent's Working Agreement, and is incorporated as a part thereof.

1. Originating Agent intends to originate the following loan types on behalf of THDA:

- | | |
|---|---|
| <input type="checkbox"/> FHA | <input type="checkbox"/> Conventional Insured 97.01%—100% LTV |
| <input type="checkbox"/> VA | <input type="checkbox"/> Conventional Insured 95.01%—97% LTV |
| <input type="checkbox"/> USDA/RD (FmHA) | <input type="checkbox"/> Conventional Insured 78%—95% LTV |
| | <input type="checkbox"/> Conventional Insured 78% LTV or less |

2. Originating Agent proposes to deliver servicing rights to new closed THDA loans to _____, an approved THDA Servicer, as evidenced by an executed Servicing Agreement between Originating Agent and the THDA Servicer, a copy of which is attached.

3. Originating Agent acknowledges that after this Agreement is executed by THDA, the servicing rights for new THDA loans closed by Originating Agent must be delivered to the Servicer indicated above, immediately after closing and in compliance with instructions and documentation requirements issued by the Servicer. In order to deliver new THDA loan servicing to a Servicer other than the Servicer named above, Originating Agent must provide certain documentation to THDA and obtain THDA's written approval prior to such action.

4. The undersigned hereby certifies that the information set forth in this Agreement, and any attachments in support thereof, is true, correct and complete to the best of his/her knowledge and belief.

ORIGINATING AGENT, by

Typed or printed name and title: _____

Signature: _____ Date: _____

5. THDA, by executing below, consents to and agrees that the Originating Agent shall deliver servicing rights to closed THDA loans to the THDA Servicer proposed in this Agreement until such time Originating Agency shall withdraw from participating in THDA's programs, is suspended or a new "Agreement As To THDA Servicer" is submitted to and approved by THDA.

TENNESSEE HOUSING DEVELOPMENT AGENCY, by

_____ Date: _____

Director, Single Family Programs



Ted R. Fellman, Executive Director
Tennessee Housing Development Agency
404 James Robertson Parkway, Suite 1114
Nashville, Tennessee 37243-0900
www.thda.org

TO: Lender applying to become a THDA Originating Agent

FROM : Laura Sinclair, Director, Single Family Programs

RE: Servicing Rights to THDA Loans

Prior to your company's eligibility to become an authorized THDA Originating Agent ("approved lender"), you will need to enter into a contract with an approved THDA Servicer to service the THDA loans for which you will originate. Currently there are two approved THDA servicers that are purchasing servicing rights to THDA loans from new Originating Agents.

You will need to contact one or both of these servicers listed below and execute a servicing agreement with the servicer of your choice. When you submit your Application to become a THDA Originating Agent, it must include a copy of a servicing agreement from one of the noted servicers, signed by both your company and the servicer.

U S Bank Home Mortgage
308 North Jackson Street
Tullahoma, TN 37388
Attn: Jim Oliver
Phone (931) 455-7504

First Trust Bank for Savings
6655 Poplar Ave, Suite 201
Germantown, TN 38138
Attn: Bonnie Garrison
Phone (901)309-7999, Ext 4401

If you should have any questions regarding the above, please do not hesitate to contact our office.