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").

W I T N E S S E T H:

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: _____

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: _____