

IOWA FINANCE AUTHORITY

HFA PREFERRED RISK SHARING™ ADDENDUM TO MORTGAGE ORIGINATION AGREEMENT SINGLE FAMILY FINANCING PROGRAMS

THIS HFA PREFERRED RISK SHARING™ ADDENDUM TO MORTGAGE ORIGINATION AGREEMENT is made and entered into between _____ (the "Lender"), with its main office located at _____ and the Iowa Finance Authority ("the Authority"), with its office located at 2015 Grand Avenue; Des Moines, Iowa 50312 and Idaho Housing and Finance Association (the "Servicer").

RECITALS:

- A. The Authority, the Lender, and Servicer have entered into a Mortgage Origination Agreement for Iowa Finance Authority Single Family Financing Programs (the "Original Mortgage Origination Agreement"). This Agreement governs the sale of mortgage loans by the Lender to the Servicer.
- B. Fannie Mae has developed a new product, commonly known as "HFA Preferred Risk Sharing™," which is available only to state housing finance agencies, such as the Servicer and the Authority. HFA Preferred Risk-Sharing Mortgages may have up to 97% loan-to-value ratios without private mortgage guaranty insurance. HFA Preferred Risk-Sharing Mortgages have a higher Fannie Mae guaranty fee and the Authority must agree to repurchase HFA Preferred Risk-Sharing Mortgages in certain limited circumstances.
- C. HFA Preferred Risk-Sharing Mortgages must be acquired by the Servicer and sold by the Servicer to Fannie Mae on behalf of the Authority. The HFA Preferred Risk-Sharing Mortgages will be sold to Fannie Mae in accordance with the applicable variances specified in the Master Agreement between Fannie Mae and the Idaho Housing and Finance Association, Servicer for the Authority.
- D. The Authority has determined to offer HFA Preferred Risk-Sharing Mortgages under its FirstHome and Homes for Iowans Programs. In order to originate HFA Preferred Risk-Sharing Mortgages, Lenders must execute this Addendum to their Mortgage Origination Agreements.
- E. The parties desire to enter into this Addendum to make additional provision for HFA Preferred Risk-Sharing Mortgages and to permit the Lender to originate HFA Preferred Risk-Sharing Mortgages in accordance with the terms and conditions set forth in the Original Mortgage Origination Agreement as amended and supplemented by this Addendum.

NOW, THEREFORE, the parties agree as follows:

- 1. Definitions.** Terms used with initial capital letters but not defined herein shall have the meanings given such terms in the Original Mortgage Origination Agreement.
- 2. Acknowledgment by Lender.** The Lender acknowledges that the Servicer will purchase HFA Preferred Risk-Sharing Mortgages and pool them into one or more mortgage-backed securities, and that under Fannie Mae's HFA Preferred Risk-Sharing product, the Authority has an obligation to repurchase HFA Preferred Risk-Sharing Mortgages in certain limited circumstances.
- 3. Minimum Loan Delivery Capacity and Requirements.** Lenders must have demonstrated capacity to underwrite conventional mortgages and deliver them into the Authority's FirstHome and Homes for lowans Single Family Mortgage Financing Programs. The Lender must deliver at least ten (10) HFA Preferred or HFA Preferred Risk-Sharing Mortgages in each calendar year to maintain the Authority's approval to offer these products. This requirement is in addition to the applicable minimum number of loan deliveries required to maintain approval as a Participating Lender in the Authority's FirstHome and Homes for lowans Single Family Mortgage Financing Programs.
- 4. Repurchase Obligation of Lender.** The repurchase obligation of the Lender set forth under Section 4.12 of the Original Mortgage Origination Agreement shall apply to any HFA Preferred Risk-Sharing Mortgage Loan purchased by the Servicer on behalf of the Authority pursuant to the Mortgage Origination Agreement.
- 5. Effect of Addendum.** This Addendum is part of and shall be deemed incorporated in the Original Mortgage Origination Agreement, and the Original Mortgage Origination Agreement, as amended and supplemented by this Addendum, shall be in full force and effect. This Addendum shall be executed by an individual with the authority to enter into a Mortgage Origination Agreement on behalf of the lending institution and shall apply to all branch locations listed in the Original Mortgage Origination Agreement.
- 6. Effective Date.** This Addendum shall become effective on the later of January 1, 2015 or as of the date when (i) the Lender submits an executed copy of this Addendum to the Authority, and (ii) the Authority returns a fully executed copy of this Addendum to the Lender.
- 7. Termination.** The Authority reserves the right to immediately terminate the Lender's access to the HFA Preferred Risk Sharing product if any HFA Preferred Risk-Sharing Mortgage Loan originated by the Lender is subject to repurchase by the Authority, if the Lender fails to meet any obligation of the Mortgage Origination Agreement including this Addendum, or if the Authority determines that it shall no longer offer the HFA Preferred Risk Sharing product. Any decision to offer the HFA Preferred or HFA Risk Sharing products is at the sole discretion of the Authority.

IN WITNESS WHEREOF, each party has caused this Addendum to Mortgage Origination Agreement to be executed by its duly authorized officer or officers.

LENDER

By: _____
(Signature of Authorized Officer)

(Printed or Typewritten Name of Authorized Officer)

Its: _____

Date: _____

(Include Additional Signature Below if Required by the Lender's Bylaws)

By: _____

Its: _____

Date: _____

IOWA FINANCE AUTHORITY

By: _____

Its: EXECUTIVE DIRECTOR

Date: _____

IDAHO HOUSING AND FINANCE ASSOCIATION

By: _____

Its: Vice President
Homeownership Lending

Date: _____