

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
HILL COUNTRY HOME DOWN PAYMENT ASSISTANCE PROGRAM
LENDER AGREEMENT**

THIS LENDER AGREEMENT (this “Agreement”) is entered into as of November 1, 2014, by and between the **TRAVIS COUNTY HOUSING FINANCE CORPORATION** (the “Corporation”) and the lending institution executing this Agreement (the “Lender”) in connection with the Corporation’s Hill Country Home Down Payment Assistance Program (the “Program”).

W I T N E S S E T H :

WHEREAS, the Corporation expects to make funds available, but solely from funds available under the Program, to enable the Corporation to finance certain qualified mortgage loans (the “Mortgage Loans”) through the acquisition of fully-modified mortgage-backed securities issued on behalf of and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the “GNMA Certificates”); and

WHEREAS, the Lender wishes to participate in the Program and has agreed to make the Mortgage Loans to qualified borrowers pursuant to the Administrator’s Guidelines (as hereinafter defined);

NOW, THEREFORE, in consideration of the undertakings, terms and conditions set forth herein, the parties mutually agree as follows:

Section 1. Covenant To Originate and Sell Mortgage Loans. The Lender hereby acknowledges its receipt of the Administrator’s Guidelines established in connection with the Program. The Lender hereby covenants and agrees to originate mortgage loans in accordance with the Administrator’s Guidelines, including (without limitation) as of the date hereof the following requirements therein: (a) minimum 640 borrower FICO score; (b) 15/45/70 day mortgage loan deadlines; and (c) \$105,560 borrower income limit (credit qualifying income). The Lender further understands and acknowledges that there is no home purchase price limit, no first-time homebuyer requirement, and no federal recapture tax associated with the Program. The Lender further agrees to sell such Mortgage Loans to U.S. Bank National Association, as master servicer (the “Master Servicer”), pursuant to the terms of the Program.

Section 2. Program Termination/Extension. This Agreement and the Lender’s ability to participate in the Program shall terminate on December 31, 2016 unless extended by the Corporation, which extension may conditions established by the Corporation in its sole discretion.

Section 3. Down Payment Assistance. The Corporation or its agent shall directly provide a down payment assistance grant to the mortgagor at Mortgage Loan closing in an amount equal to 5.00% of the original principal amount of the Mortgage Loan (the “DPA Grant”) to eligible borrowers. Such DPA Grant shall be applied to the down payment on a Mortgage Loan and/or to closing costs. The DPA Grant is a grant and is not repayable by the borrower.

To the extent the DPA Grant is advanced by the Corporation on Mortgage Loans that do not close, are not purchased by the Master Servicer or are to be repurchased by the Lender prior to

being pooled into a GNMA Certificate, the Lender hereby agrees to reimburse the Corporation with respect to such DPA Grant so advanced.

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

(a) there exists a shortage of decent, safe and sanitary housing at prices which eligible families can afford within Travis County, Texas and the surrounding counties;

(b) the Program will improve the quality of decent, safe and sanitary housing for eligible families;

(c) the residential housing assistance provided pursuant to the Program will provide a public benefit;

(d) the estimates of revenues received by the Corporation 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

(e) for purposes of the Program, the term "low or moderate income" initially shall mean families earning \$105,560 or less annually (credit qualifying income).

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 Texas, 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 Corporation 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.

CORPORATION:

TRAVIS COUNTY HOUSING FINANCE CORPORATION

By: Samuel T. Biscoe
Samuel T. Biscoe, President

LENDER:

[NAME OF LENDER]

By _____
Name _____
Title _____