

**ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES GSE
(MULTI-COUNTY PROGRAM)**

2010 PROGRAM INVITATION AND GUIDELINES

I. General Invitation and Description of Program

The Escambia County Housing Finance Authority (the "Issuer") hereby invites you, assuming you meet the general requirements outlined below, to apply for participation in the Issuer's Single Family Mortgage Revenue Bond Program, Series GSE (the "Program"). The Issuer intends to issue its single family mortgage revenue bonds, to be secured by mortgage-backed securities of the Government National Mortgage Association ("GNMA") and mortgage-backed securities issued by the Federal National Mortgage Association ("Fannie Mae") or Federal Home Loan Mortgage Corporation ("Freddie Mac") evidencing the guarantee by GNMA of the timely payment of monthly principal and interest of qualifying FHA, VA, or USDA: Rural Development ("RD") mortgage loans or the guarantee by Fannie Mae or Freddie Mac of the timely payment of monthly principal and interest of qualifying conventional mortgage loans, including qualified loans made under certain special Fannie Mae and Freddie Mac programs that may be approved collectively with the FHA, VA or RD mortgage loans (the "Mortgage Loans"), which loans will be originated by qualifying lending institutions (the "Participants") and sold to the program servicer, U.S. Bank National Association, d/b/a/ U.S. Bank Home Mortgage-MRBP Division (the "Servicer") for assignment to GNMA or Fannie Mae or Freddie Mac, as applicable, to finance the acquisition of owner-occupied residences qualifying under the Program ("Residences") within the limits of the counties of Alachua, Bradford, Citrus, Escambia, Franklin, Gadsden, Hernando, Holmes, Indian River, Jackson, Jefferson, Leon, Marion, Martin, Okaloosa, Okeechobee, Putnam, Santa Rosa, St. Lucie, Taylor, Union, Wakulla, Walton and Washington, Florida (the "Counties"). The Program will be administered by Housing and Development Services, Inc. d/b/a eHousingPlus (the "Program Administrator").

Unless otherwise defined therein, all capitalized terms and phrases shall have the meanings set forth in the Mortgage Origination Agreement dated as of February 1, 2004, as amended and supplemented by a GSE Series Schedule (the "GSE Series Schedule") among the Servicer, the Program Administrator, the Issuer and the Participants (collectively, the "Agreement" or "Origination Agreement"). Participating institutions shall be required to execute an Origination Agreement and a GSE Series Schedule setting forth the terms of the GSE issue in order to become a Participant in the current Program.

Every lending institution (including commercial banks, savings and loan associations and mortgage bankers) which (i) is currently participating in the local private home lending market within one or more of the Counties, (ii) with respect to GNMA eligible Mortgage Loans, is an FHA-approved mortgagee (with direct endorsement underwriting authority preferred) in good standing, and/or a VA approved lender, with automatic approval authority preferred, and/or a RD approved lender, if applicable, (iii) with respect to Fannie Mae and Freddie Mac eligible Mortgage Loans, has errors and omissions coverage of at least \$300,000 and a Fidelity Bond of at least \$50,000 and is acceptable to a participating private mortgage insurer, can make the representations, warranties and covenants set forth in Section 2.02 of the Agreement among the Servicer, the Program Administrator, the Issuer and the Participants and is willing to originate fixed rate Single Family

Mortgage Loans in conformity with the mortgage origination standards of FHA, VA and/or RD and the requirements of GNMA with respect to GNMA eligible Mortgage Loans and the mortgage eligibility requirements of Fannie Mae, with respect to Fannie Mae eligible Mortgage Loans, and the mortgage eligibility requirements of Freddie Mac with respect to Freddie Mac eligible Mortgage Loans, and (iv) meets the requirements set forth in the Agreement and this Invitation, shall be permitted to submit an Offer to Originate in the Issuer's Program.

THE REQUIREMENTS FOR PARTICIPATING IN THIS PROGRAM AND THE REQUIREMENTS FOR ORIGINATION OF THE MORTGAGE LOANS THEREUNDER ARE FURTHER DESCRIBED IN THE PROGRAM SUMMARY (THE "PROGRAM SUMMARY"), IN THE AGREEMENT, TO WHICH EACH PARTICIPANT MUST BECOME A SIGNATORY PARTY, AND THE GSE SERIES SCHEDULE TO THE AGREEMENT RELATING TO THE PROGRAM EACH ATTACHED HERETO. ALL TERMS AND CONDITIONS SET FORTH HEREIN ARE SUBJECT TO MODIFICATIONS UNTIL SUCH TIME AS THE MORTGAGE LOANS HAVE BEGUN TO BE ORIGINATED.

A. The Program and the Bonds

The Issuer intends to fund the Program through the issuance of its Single Family Mortgage Revenue Bonds, Series GSE (the "Bonds"), in an aggregate principal amount of approximately \$25,000,000 with the exact amount to be determined based on market conditions, availability of authorization, lender demand and other factors, thereby making available funds for origination of Mortgage Loans.

B. Origination Period

The Participants will originate mortgage Loans over an Origination Period, which is currently expected to last until **August 1, 2010** (unless otherwise extended by the Issuer). **All loans must be closed and purchased by the Servicer by this date.**

C. Mortgage Term, Rates and Fee Structure

All Mortgage Loans will be fully amortized over a 30-year term and will provide for level monthly debt service payments. The Program will offer an **estimated** mortgage interest rate of 4.82% rate for Mortgage Loans with 1.00% origination and 0% discount points. **The actual mortgage rate will be set forth in the Notice of Acceptance.** Down Payment and Closing Cost Assistance (actual amount to be determined by the Participating Lender based on the **needs** of the homebuyer – cash back to the borrower is **not** permitted) will also be available in the form of a twenty (20) year amortizing second mortgage in an amount not to exceed \$8,000 at 0%, as more fully described in the Administrator's Guidelines for the GSE Program ("Amortizing Second Mortgages"). Participants are expected to fund the Amortizing Second Mortgages at closing and will be reimbursed by the Servicer upon sale of the Mortgage Loan. The Issuer's Amortizing Second Mortgages **do not** accrue interest and are amortized over the first twenty (20) years of the mortgage, however, the Issuer's Amortizing Second Mortgages are due on sale, transfer, refinancing or if the property ceases to be a mortgagor's primary residence.

D. Reservation of Program Funds

Participants will not be required to pay a reservation fee for allocation. Allocation will be reserved on a first-come first-served basis from program-wide pools of allocation.

E. Purchase of Mortgage Loans

1. Price. The purchase price of each Mortgage Loan under the Program will be 100% of the outstanding principal balance of the loan plus accrued interest. Lender profit will be set at 1.75% of the principal amount of the loan.

2. Documentation. **ANY MORTGAGE LOAN PURCHASED BY THE SERVICER FOR WHICH DOCUMENTS ARE SUBSEQUENTLY FOUND TO BE MATERIALLY DEFECTIVE MUST BE REPURCHASED BY THE PARTICIPANT ORIGINATING SUCH MORTGAGE LOAN UNLESS THE DEFECT IS PROMPTLY CORRECTED.**

F. Local Housing Assistance Programs

The Issuer and certain participating Counties anticipate implementing a second mortgage program, which will be administered by local governments or other non-profit agencies, to provide assistance with down payment and closing costs necessary for closing a Mortgage Loan to qualifying applicants of low and moderate income. All second mortgage program guidelines and documents shall be approved by the Lender, for conventional loans in accordance with Fannie Mae and Freddie Mac community second/affordable second guidelines or be eligible for use with FHA loans in accordance with FHA secondary financing guidelines. Any down payment and closing cost assistance used in addition to the Issuer's Amortizing Second Mortgage Program must be subordinated to the Issuer's Second Mortgage and must occupy a third lien position.

G. Targeted Area Set-Asides

A portion of the Program funds available for use in Alachua, Escambia, Leon, Marion and St. Lucie Counties (the "Targeted Area Counties") and certain Counties that have been declared Federal Disaster Areas will be reserved for origination of Mortgage Loans in such designated Targeted and Disaster Areas for a period ending no earlier than one (1) year from the Application Start Date. The Participant, on behalf of the Issuer, shall use reasonable diligence to originate Mortgage Loans for acquisition of Single Family Residences in Targeted Areas.

H. Eligible Persons and Families

Qualifying Mortgage Loans will be made to Eligible Persons and Families in the Counties, whose Maximum Current Annual Family Income does not exceed the limits set forth in the Program Summary. In addition, qualifying Mortgage Loans are subject to certain purchase price limitations and certain other conditions of the Issuer as more completely described in the Agreement. **THE ORIGINATION AGREEMENT, AS AMENDED AND SUPPLEMENTED BY THE GSE SERIES SCHEDULE, IS THE PRINCIPAL DOCUMENT SETTING FORTH THE RIGHTS AND OBLIGATIONS OF THE PARTICIPANTS UNDER THE PROGRAM. IF YOU HAVE QUESTIONS ABOUT PARTICIPATING IN THIS PROGRAM, PLEASE CALL OR EMAIL CJ PIPKINS (CJPIPKINS@ESCAMBIAHFA.COM) OR PATT DENIHAN (PDENIHAN**

@EARTHLINK.NET). THE ATTACHED DRAFTS OF THE PROGRAM SUMMARY AND THE GSE SERIES SCHEDULE ARE PRELIMINARY ONLY, AND ARE SUBJECT TO REVISION AT THIS TIME.

II. Commitment Procedure

A. Deadline for Submission of Offer

At or prior to 12:00 Noon on Monday, January 11, 2010, each lending institution desiring to become a Participant in the Program is required to submit to the Issuer an executed copy of the Offer to Originate (the "Offer"), **enclosed herewith** indicating therein the addresses, telephone and fax numbers for all offices from which originations will be made.

B. Submission of Offer

The original Offer must be received, no later than the date specified above, at:

Lott & Associates, P.L.
Attn: Jeff Brenner
25 West Cedar Street, Suite 500
Pensacola, FL 32502-5958
(850) 469-1088
FAX: (850) 432-0677
E-mail: jbrenner@lottlaw.com

With a copy of the Offer to:

Escambia County Housing Finance Authority
Attn: Elbert Jones Jr, Executive Director
700 South Palafox Street, Suite 310
Pensacola, FL 32502
(850) 432-7077
FAX: (850) 438-5205
Elbertjones@escambiahfa.com
karyn.norton@escambiahfa.com
cjpipkins@escambiahfa.com

C. Review of Offers

Following submission of the Offers, the Issuer, Servicer and Program Administrator will review the qualifications and experience of each lending institution and its ability to originate Mortgage Loans in accordance with the terms and conditions set forth in the Agreement. Upon completion of such review the Issuer, the Servicer and/or Program Administrator will approve the participation of lending institutions found acceptable. In the event the Issuer finds a lending institution unacceptable for participation in the Program, the Issuer will notify the lending institution of its findings within a reasonable time period.

THE ISSUER RESERVES THE RIGHT TO REJECT ANY AND ALL OFFERS TO PARTICIPATE FOR ANY REASON WHATSOEVER AND FURTHER RESERVES THE

RIGHT TO WAIVE ANY INFORMALITY OR IRREGULARITY IN THE DOCUMENTS SUBMITTED BY THE LENDING INSTITUTIONS FOR CONSIDERATION BY THE ISSUER. THE ISSUER RESERVES THE RIGHT TO GIVE PREFERENCE TO LENDERS WHICH HAVE SUCCESSFULLY ORIGINATED MORTGAGE LOANS IN ITS PRIOR PROGRAMS AND PARTICIPATED IN PROGRAM PROMOTIONAL ACTIVITIES. THE ISSUER MAY ALSO CONSIDER THE AMOUNT OF FUNDS REMAINING UNDER ITS OR OTHER ISSUERS' MORTGAGE BOND PROGRAMS.

D. First-Come, First-Served Pool of Funds

Funds made available for the purchase of Mortgage Loans from the Program will be made available to Participants on a first-come, first-served basis. Loan reservations will be made via the Program Administrator's McWeb internet reservation system. McWeb is an Internet reservation, tracking, compliance and reporting system found at <http://www.ehousingplus.com>.

- a) Before the origination start date, Participants shall establish a password via McWeb to access the reservation system.
- b) Upon application by a mortgagor for a Mortgage Loan, Participants, in order to make a reservation shall register a Mortgage Loan via the Internet Reservation System "McWeb".
- c) Following credit underwriting approval of the Mortgage Loan and before closing, the underwriter shall submit the Underwriter's Certification via McWeb.
- d) If at any time subsequent to a reservation for a Mortgage Loan, it shall become apparent to the Participant that a Mortgage Loan will not meet the requirements set forth in this agreement, the Participant shall promptly notify the Servicer via McWeb.
- e) Subsequent to the Participant closing the Mortgage Loan, the mortgage file, including the compliance documents, shall be delivered to the Servicer at the appropriate address within 30 days after closing.

The Program Administrator and Servicer will provide detailed information and instructions regarding compliance, the delivery of the mortgage file and the McWeb process on the eHousingPlus and Servicer's respective websites.

E. Acceptance

After the Issuer has accepted Participants for participation in the Program, the Issuer shall deliver via email, to each Participant accepted for participation in the Program, a notice of acceptance (the "Notice of Acceptance"). The Notice of Acceptance shall specify, among other things, (i) the interest rate for Mortgage Loans to be charged with respect to all Mortgage Loans to be submitted for purchase by the Servicer, and (ii) the Application Start Date. Upon receipt of a Notice of Acceptance, each Participant shall be committed to execute and deliver the Agreement and the GSE Series Schedule. All Participants shall deliver to the Issuer the executed Agreement and GSE Series Schedule, in substantially the same form as the Agreement and the GSE Series Schedule provided to Participants, with only such changes therein as do not materially adversely alter the rights, duties and obligations of the Participants, unless the Participants expressly consent thereto.

Each Participant shall deliver to the Issuer, Elbert Jones Jr, Escambia County Housing Finance Authority, 700 South Palafox Street, Suite 310, Pensacola, FL 32502-5958 **within five (5) business days from the date of receipt of the Notice of Acceptance:** (i) five executed signature pages to the Agreement, and (ii) five executed signature pages to the GSE Schedule. The failure by any Participant to deliver timely the items required in (i) and (ii) above may be considered a default by such Participant in its obligations under the Offer, and the Issuer may, in its sole discretion, refuse to accept the lending institution for participation in the Program. **Following receipt of the signature pages listed in (i) and (ii) above, the Issuer will return to each approved Participant a fully executed counterpart of the Agreement and GSE Series Schedule.**

APPLICATIONS FOR MORTGAGE LOANS MAY BE ACCEPTED PRIOR TO THE APPLICATION START DATE SPECIFIED IN THE NOTICE OF ACCEPTANCE AND ALL APPLICATIONS RECEIVED THEREAFTER MUST BE PROCESSED ON A FIRST-COME, FIRST-SERVED BASIS, HOWEVER, NO MORTGAGE LOANS MAY BE CLOSED UNTIL AFTER THE APPLICATION START DATE.

Any questions with respect to the foregoing or the financing should be directed to:

Elbert Jones Jr
Escambia County HFA
(850) 432-7077
elbertjones@escambiahfa.com
karyn.norton@escambiahfa.com
cjpipkins@escambiahfa.com

Patt Denihan
Ehousing Plus
(954) 430-6072
patt@ehousing.cc

THE DESCRIPTIONS OF ALL TERMS OF THE PROGRAM HEREIN ARE QUALIFIED IN THEIR ENTIRETIES BY THE OFFER, THE AGREEMENT, THE GSE SERIES SCHEDULE AND THE ACCOMPANYING EXHIBITS. THE ISSUER RESERVES THE RIGHT TO REJECT ANY AND ALL OFFERS TO ORIGINATE MORTGAGE LOANS.

ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY

Dated: December 18, 2009

**ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE REVENUE BONDS,
SERIES GSE
(MULTI-COUNTY PROGRAM)**

**OFFER TO ORIGINATE
SINGLE FAMILY MORTGAGE LOANS**

ONE SIGNED ORIGINAL of this Offer to Originate (the "Offer") is to be delivered by **12:00 Noon, on Monday, January 11, 2010** to:

Lott & Associates, P.L.
Attn: Jeff Brenner
25 West Cedar Street, Suite 500
Pensacola, FL 32502-5958
(850) 469-1088

with a copy to:

Escambia County Housing Finance Authority
Attn: Elbert Jones Jr, Executive Director
700 South Palafox Street, Suite 310
Pensacola, FL 32502-5958
(850) 432-7077
elbertjones@escambiahfa.com
karyn.norton@escambiahfa.com
cjpipkins@escambiahfa.com

Name of Institution: _____

Home Office

Street Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____

Phone () _____ Fax () _____

E-Mail : _____

Website : _____

Subject to the terms and conditions stated herein, the above institution (the "Participant") hereby offers to originate, on behalf of the Escambia County Housing Finance Authority (the "Issuer"), single family mortgage loans (the "Mortgage Loans") as defined in the Mortgage Origination Agreement dated as of February 1, 2004, as amended and supplemented by the GSE Series Schedule (collectively the "Agreement"), in the aggregate maximum principal amounts based upon the mortgage loan interest rate, the Maximum Income Limits and Maximum Acquisition Prices specified therein (or such lesser aggregate amount as may be accepted by the Issuer) and in the respective Counties, all in accordance with the terms and conditions of the Issuer's 2010 Program Invitation and Guidelines (the "Invitation") and the Agreement, copies of which have been received and reviewed by the Participant and the provisions of which, including permitted amendments approved by the Issuer, are incorporated herein by reference and upon acceptance hereof, which are hereby agreed to by the Participant.

The Participant offers to originate Mortgage Loans pursuant to the Agreement and GSE Series Schedule as set forth in the Notice of Acceptance. **It is anticipated that the interest rate for Mortgage Loans will be approximately 4.82%. The actual interest rate for the Mortgage Loans will be set forth in the Participant's Notice of Acceptance.** By delivering this Offer to Originate, you are offering to participate in the Issuer's GSE Single Family Mortgage Bond Program and are offering to originate Mortgage Loans in the following counties pursuant to the terms and conditions set forth in the Agreement, as amended and supplemented by the GSE Series Schedule:

Mortgage Lender Information

Participants are required to provide the information requested below: (please attach separately, if necessary).

Branch Office where Mortgage Loans will be Originated (Indicate Address and Zip Code)	Contact Person	Phone Number	Fax Number	E-mail Address	County

If your institution is unable to facilitate the underwriting of loan products and requires this service, please contact the Servicer to obtain a Correspondent Approval Package at 1-800-562-5165 or mrpb.helpdesk@usbank. The Participant hereby agrees to hold the Issuer, its agents and the original purchasers of the Bonds harmless, and agrees to indemnify them for any costs they incur as a result of any material misstatement in, or omission from, such Lender Approval Package. The Participant understands and agrees that such information may be used in the Official Statement prepared with respect to the Bonds, and any supplements thereto prepared in connection with the conversion of the Bonds.

In addition, within five (5) business days following receipt of the Notice of Acceptance of this Offer, the Participant shall deliver the following to Elbert Jones Jr, Escambia County Housing Finance Authority, 700 South Palafox Street, Suite 310, Pensacola, FL 32502-5958 (850) 432-7077:

- (i) five executed signature pages to the Agreement; and
- (ii) five executed signature pages to the GSE Series Schedule.

This Offer shall not be withdrawn prior to Application Start Date and shall be binding if accepted by the Issuer on or prior to said date. After acceptance of this Offer, the rights and obligations hereunder and under the Agreement, as amended and supplemented by the GSE Series Schedule, of the Issuer and the Participant shall terminate only if the Bonds are not converted by January 1, 2011. This Offer shall be deemed a contract between the Participant and the Issuer upon the Issuer's acceptance hereof, whether or not notice of such acceptance is communicated in writing to the Participant, it being understood that the Issuer intends to so notify the Participant within a reasonable time after the Issuer's acceptance.

The Participant understands that the Issuer's obligations with respect to this Offer are contingent upon the settlement and subsequent conversion of the Issuer's Bonds on terms satisfactory to the Issuer.

The name and address to which notices to the Participant regarding this Offer and related matters should be forwarded is:

Name of Participant: _____

Street Address: _____

City, State and Zip Code: _____

Attention: _____

Phone Number: _____

Fax Number: _____

E-Mail Address: _____

Website Address: _____

The foregoing Offer is hereby submitted to the Issuer on behalf of the Participant named herein.

(SEAL)

For the above institution
(Please type name and office of individual signing)

ATTESTED:

By _____
Its

By _____
Name:
Title:

Dated: _____

NOTE: ALL COMMUNICATIONS CONCERNING THIS OFFER WILL BE SENT ONLY TO THE ADDRESS ABOVE. IF APPROVALS OR RESPONSES ARE REQUIRED FROM OFFICES OTHER THAN THE ABOVE, PLEASE INDICATE SUCH OFFICES BELOW.