

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
2010 PROGRAM INVITATION AND GUIDELINES
(MULTI-COUNTY PROGRAM)**

The Brevard County Housing Finance Authority (the “Issuer”) invites you to apply for the Single Family Housing Revenue Bond Program (GSE Program – Multi-County), 2009 Series (the “Program”) as a participating Lender. The program is available to homebuyers in Brevard, Clay, Nassau, St. John’s, & Volusia Counties.

Highlights of the 2010 Program:

- ❖ \$20,770,000 in available funds
- ❖ No Commitment Fees
- ❖ Funds held in a first-come, first-served pool
- ❖ Low Rate loan option for homebuyers (anticipated rate):
 - 4.99% with 0% origination and 0% discount
- ❖ Down Payment Assistance Available for Select Counties:
 - Brevard County: \$5,000 2nd mortgage at 0% interest
 - Clay County: \$5,000 2nd mortgage at 0% interest
- ❖ Lender net profit of 1.75% for FHA/VA/RD Loans
- ❖ Lender net profit of 1.25% for Conventional (Fannie Mae / Freddie Mac) Loans
- ❖ First-time Homebuyer Requirement Waived in Brevard County
- ❖ No doc stamps and intangible taxes on the Mortgage and Note

Tentative Schedule of Events

January 28, 2010	<p>Lender Response Due</p> <p>Please return 6 executed signature pages of the following:</p> <ul style="list-style-type: none"> • Lender Acknowledgement & Acceptance (S-4) • Exhibit A • Mortgage Origination Agreement <p>Return signature pages to: Mark Mustian Nabors, Giblin & Nickerson, P.A. 1500 Mahan Drive, Suite 200 Tallahassee, FL 32308</p>
February 3, 2010 9:30 AM (E.S.T.)	Lender Training; Loan Reservations accepted immediately following Lender Training.
Reservation Start Date:	The Date on which each lender has: <ul style="list-style-type: none"> a) submitted all required documentation; and b) completed lender training

For more information or to obtain the required documents, please visit:
www.ehousing.cc/brevard10.htm

This invitation constitutes a solicitation of offers to participate in the Program and does not bind the Issuer. The Issuer reserves the right to modify the terms of the Program at any time prior to its acceptance of Offers to Participate. The Issuer also reserves the right to waive compliance with one or more requirements of the Program on a case-by-case basis.

Lenders' comments or questions about any of the enclosed documents are encouraged and should be directed to:

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

Sue Denihan
ehousing Plus
(813) 671-7344
sue@ehousing.cc

Eligible Lending Institutions:

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 Brevard, Clay, Nassau, St. John's, or Volusia County (ii) with respect to GNMA eligible mortgage loans, is an FHA approved mortgagee (with direct endorsement underwriting authority preferred), and/or a RD approved lender, if applicable, and if a VA approved lender, with automatic approval authority preferred, if applicable, (iii) with respect to a 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 and warranties and covenants set forth in the Agreement among the Servicer, the Program Administrator, the Issuer and the Lenders 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.

Program Overview:

The Brevard County Housing Finance Authority (the "Issuer") hereby invites Lenders (as hereinafter defined) to participate in its 2010 Single Family Housing Revenue Bond Program ("2010 Program") by execution and delivery to the Issuer of these 2010 Program Invitation and Guidelines. The Issuer has found and determined that the following terms, conditions and parameters shall be applicable to and effective for the origination of Mortgage Loans (the "2010 Program Determinations") in conjunction with the release of proceeds of its Single Family Housing Revenue Bonds (GSE – Multi-County Program), 2009 Series A (the "2009A Bonds") and

declares and determines that the 2010 Program Determinations shall form and be an integral part, along with a Master Mortgage Origination Agreement (the "Master Origination Agreement"), among the Issuer, the lending institutions participating in the program described herein (collectively, the "Lenders"), U. S. Bank National Association, dba/ U. S. Bank Home Mortgage-MRBP Division, as the Master Servicer and Wells Fargo, N.A., as Trustee (the "Trustee"), as the 2010 Origination Agreement, which consists of the Master Origination Agreement as modified, supplemented and amended by these 2010 Program Determinations and a Supplemental Origination Agreement. The undertaking and agreement to be bound by the 2010 Program Determinations is evidenced by the execution hereof by each party hereto. Except as expressly provided herein, the provisions of the Master Origination Agreement are hereby incorporated by reference. In the event of any conflict between the terms of these 2010 Program Determinations and the Master Origination Agreement, the provisions hereof shall prevail.

Program Terms and Conditions:

First Mortgage Loans: The Issuer plans to make available first mortgage financing for qualifying households purchasing residences anywhere in Brevard, Clay, Nassau, St. John's, or Volusia County. The Issuer expects to finance First Mortgage Loans with the proceeds of Bonds or from other sources of debt or capital available to the Issuer. First Mortgage Loans may only be made to home buyers who meet the Income Limits set forth below, where the purchase price of the residence is within the Purchase Price Limits set forth below. In addition buyers must have a minimum FICO credit score of 600 (the mid score must be 600 or above), and 620 on Fannie Mae/Freddie Mac conventional loans (mid score must be 620 or above), however for home buyers with non-traditional credit or where there is no FICO score, manual underwriting shall be permitted.

Mortgage Interest Rate. The following mortgage option is available, provided the mortgage interest rate may be changed at any time by the Issuer at its sole discretion.

- 4.99% Mortgage Rate with 0% origination fee and 0% discount fee

Mortgage Term. All First Mortgage Loans shall bear a fixed rate of interest, have level payments, and be fully amortizing over a 30-year term.

Mortgage Insurance. All First Mortgage Loans must be insured by FHA, VA or RD or, for conventional loans, must meet Fannie Mae or Freddie Mac eligibility and be insured by an eligible private mortgage insurance company where the loan-to-value ratio is greater than 80%.

2nd Mortgage Loans. Second mortgage loans are being funded by the Brevard County Housing Finance Authority and the Housing Finance Authority of Clay County for mortgage loans originated in their respective counties as described below.

- **Brevard County 2nd Mortgage Loans:** The Issuer is making available second mortgage loans in the amount of \$5,000 for use with program first mortgage loans originated within Brevard County ("Brevard 2nd Mortgage Loans"). Brevard 2nd Mortgage Loans will bear interest at a rate of 0% and shall be repaid in full on the earlier to occur of: a) receipt of funds by the borrower relating to the homebuyer tax credit, b) sale, refinancing, transfer of title, or rental of the home, or b) final repayment date of the first mortgage loan. Maximum income limits and purchase price limits are the same as the limits for 1st Mortgage Loans originated in Brevard County. The Issuer, at its discretion, may elect to change the repayment terms of the second mortgage loan. Participating lenders will be notified of any changes via email or through the eHousing website.

- **Clay County 2nd Mortgage Loans:** The Housing Finance Authority of Clay County is making available second mortgage loans in the amount of \$5,000 for use with program first mortgage loans originated within Clay County ("Clay 2nd Mortgage Loans"). Clay 2nd Mortgage Loans will bear interest at a rate of 0%, and must be repaid in full on the earlier of 30 years (final repayment date of the first mortgage loan), or upon sale or refinancing, transfer of title, or rental of the home. Maximum income limits and purchase price limits are the same as the limits for 1st Mortgage Loans originated in Clay County.

Homebuyer Education. All buyers (any person on the Note other than co-signers) must attend an approved face-to-face homebuyer education course. See the ehousing website (www.ehousing.cc) for a list of approved courses. Please check this list frequently, as it may change during the course of a program.

Maximum Current Family Income Limits

Maximum Current Annual Family Income limits are as stated below, which amounts may be re-determined by the Issuer and provided to the Servicer and Program Administrator for dissemination to Participants, from applicable median income figures published by the United States Department of Housing and Urban Development from time to time. In addition, in the event additional counties elect to participate in the 2010 Program, their Income and Acquisition Price information will be provided by the Issuer.

	NON-TARGETED AREAS		TARGETED AREAS	
	1 or 2 Family Members	3 or More Family Members	1 or 2 Family Members	3 or More Family Members
Brevard	\$74,640	\$87,080	\$74,640	\$87,080
Clay	\$65,100	\$74,865	N/A	N/A
Nassau	\$65,100	\$74,865	N/A	N/A
St. John's	\$65,100	\$74,865	N/A	N/A
Volusia	\$55,200	\$63,480	\$66,240	\$77,820

Maximum Acquisition Prices:

	NON-TARGETED AREAS All Housing	TARGETED AREAS All Housing
Brevard	\$316,177	\$316,177
Clay	\$290,853	N/A
Nassau	\$290,853	N/A
St. John's	\$290,853	N/A
Volusia	\$258,691	\$316,177

The foregoing amounts may be re-determined by the Issuer, and provided to the Servicer for dissemination to Lenders, from "Safe Harbor" average area purchase prices published from time to time by the United States Treasury Department or from surveys or other compilations of acquisition prices that in the opinion of recognized counsel represent acceptable methods for determination of such average acquisition prices for purposes of Section 143 of the Code and in compliance with any requirements for the County. Acquisition Price limits are also subject to the applicable FHA/VA/RD, FNMA or Freddie Mac limits for each County.

Loan Documentation. Mortgage loans must meet all applicable GNMA, Fannie Mae, or Freddie Mac underwriting guidelines and must further be eligible to be securitized in GNMA Certificates, Fannie Mae MBS or Freddie Mac Participation Certificates.

Closing Costs and Charges. In connection with each Mortgage Loan, the Lender may, as permitted by FHA, RD or VA, Fannie Mae or Freddie Mac, as applicable, charge and collect from the Mortgagor or seller of a Single Family Residence at the time of closing of the Mortgage Loan an Origination Fee and a Discount Fee (expressed as a percentage of the principal amount of such Mortgage Loan) not exceeding those set forth above, except that the Origination Fee and the Discount Fee shall not in any event exceed the applicable Fannie Mae, Freddie Mac, FHA, RD or VA limits. In addition, the Lender shall collect from the borrower or seller a Bond Loan Application fee of \$225 payable to the Program Administrator, a Tax Service Fee of \$85 and a Transfer Fee of \$150, payable to the Servicer and netted at loan purchase.

Total Lender Profit and Loan Delivery Requirements:

Mortgage Loans delivered, cleared of all exceptions and eligible for purchase within 80 days of the Reservation Date ("Timely Purchase"), will be purchased by the Master Servicer at a price that results in net lender profit of 1.75% of the par amount of FHA/VA/RD Loans, and 1.25% of the par amount of Conventional (Fannie Mae and Freddie Mac) Loans. Mortgage Loans not delivered, cleared of all exceptions, and eligible for purchase within 80 days of the Reservation Date will be automatically cancelled unless the Lender requests an extension of time in writing to the Issuer prior to the expiration date ("Late For Purchase"). The Authority

reserves the right to impose a penalty if the extension is approved. The penalty is due at time of request and non-refundable if the loan is not purchased. Mortgage Loans that are late for purchase and not delivered within the authorized extension period will be cancelled.

Program funds available for First Mortgage Loans will be made available through the Timely Delivery Procedure described below, on a pooled first-come, first-served basis. Lenders may utilize a reservation for either Existing or New Construction residences, provided however, the loan is expected to be closed and a closed loan file delivered to the Master Servicer within the timeframes described below. There are no separate Builder Allocations for origination of New Construction Loans that are not expected to be closed and delivered within the time parameters set forth below. Lenders may also use First Mortgage Loans for rehabilitation loans meeting the guidelines under the FHA 203(KS) program for the origination fees permitted and in accordance with Program requirements outlined in the Lender Manual.

No Lender may impose a requirement for a minimum loan amount.

Prior to accepting reservations for Mortgage Loans a Lender must have previously executed the Mortgage Origination Agreement and must return the executed 2010 Program Determinations as directed by Issuer and complete Lender training on February 3, 2010. To obtain the Mortgage Origination Agreement, please visit www.ehousing.cc/brevard10.htm or contact Patt or Sue Denihan (contact info provided on page 2).

Timely Delivery Procedures: (80 days from Rate Lock to Loan Purchase):

Number of Days Allowed from:

Reservation to Underwriter Certification:	30 days
Reservation to Closed & Delivered Loan:	50 days
Reservation to Exceptions Cleared & Loan Purchased:	80 days

Notice Addresses are as provided in the Master Origination Agreement and as set forth for each Lender in Exhibit A hereto.

Purchase Dates shall occur daily as advised by the Master Servicer.

REPURCHASE OF LOANS

Participating Lender hereby agrees to repurchase any Mortgage Loan sold to the U. S. Home Mortgage – MRBP, the Master Servicer, at any time during the life of such Mortgage Loan, upon the occurrence of any of the following events:

a) Master Servicer reasonably believes any violations of any rule, regulation, or requirement of the applicable agencies i.e. Federal Housing Authority (FHA), Veterans Administration (VA), Rural Development (RD), Fannie Mae (Fannie Mae), Freddie Mac (Freddie Mac), Government National Mortgage Association (GNMA) or any other investor as

may be identified in the Bond program, or specific guidelines as outlined in the Bond documents/program manuals; or

b) Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan documentation resulting from the Participating Lender's negligence or failure to exercise due diligence as disclosed by actual inspection by the Master Servicer or its representative, or otherwise disclosed; or

c) Participating Lender fails to obtain FHA insurance, VA or RD guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by the Participating Lender, or the failure by the Participating Lender to obtain such insurance or guaranty within ninety (90) days from the date of purchase; or

d) Master Servicer is required to repurchase any Loan sold by it to GNMA, FNMA, FHLMC or any other investor, by reason of a deficiency in or omission with respect to the Mortgage Loan documents, instruments, and agreements, pertaining to any Mortgage Loan; or

e) Any representation or warranty made by the Participating Lender under these 2010 Program Determinations or Bond program manuals with respect to any Mortgage Loan shall, in the reasonable opinion of the Master Servicer, be, in whole or in part and with or without knowledge of the Participating Lender, false at the time when made by Participating Lender or become false upon the occurrence of subsequent events; or

f) Any material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist by the Master Servicer or another investor. This includes, but is not limited to, Mortgagor or other third party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property; or

g) Participating Lender's breach of any covenant or obligation to the Master Servicer with respect to the Mortgage Loan under these 2010 Program Determinations, Bond documents or Bond program manuals.

The repurchase price for any Mortgage Loan that the Participating Lender is required to repurchase from the Master Servicer shall be an amount equal to its then unpaid principal balance of the Mortgage Loan on the date of repurchase, plus accrued interest, any servicing release premium paid, and direct expenses (including reasonable attorney's fees) incurred by the Master Servicer for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase. Master Servicer's exercise of its right to have the Participating Lender repurchase any Mortgage Loan hereunder shall be in addition to, and not in lieu of, any other rights or remedies which Master Servicer may have against the Participating Lender hereunder or under applicable law.

INDEMNIFICATION

The Participating Lender shall protect, indemnify, and hold Issuer and Master Servicer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses (including attorneys' fees) that may be incurred by Issuer or Master Servicer with respect to, or proximately resulting from any breach of, any representation, warranty, or covenant of the Participating Lender hereunder. Issuer and Master Servicer shall be entitled to rely upon the Participating Lender as assembler and preparer of all Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Participating Lender hereby agrees to indemnify and hold the Issuer and Master Servicer harmless from any claim, loss or other damage to the Issuer or Master Servicer including reasonable attorneys fees resulting in whole or in part from any inaccuracy or incompleteness in the Mortgage Loan documents or any act or omission by the Participating Lender, its agents and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent the Participating Lender, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any Mortgage Loan or its documents and as a result thereof, and based thereon, the Issuer or Master Servicer commits an act or omission for which it becomes liable to the Mortgage(s) or any third party and/or a claim or cause of action is instituted against the Issuer or Master Servicer, the Participating Lender shall and hereby agrees to indemnify and hold Issuer and Master Servicer harmless from any such loss or damage, including reasonable attorneys fees, resulting therefrom.

REFUND OF SERVICE RELEASE PREMIUMS

a) If any Mortgage Loan is prepaid in full within three (3) months following the date of purchase by the Master Servicer, from the Participating Lender, the Participating Lender shall refund to the Master Servicer all service release premiums received from the Master Servicer with respect to that mortgage loan.

b) If any Mortgage Loan, underwritten by the Participating Lender, becomes delinquent for any of the first three (3) scheduled monthly payments due the Master Servicer, and is not brought current by the borrower within 90 days of such delinquency the Participating Lender shall refund to the Master Servicer all service release premiums received from the Master Servicer with respect to that Mortgage Loan plus an additional fee of \$1,000 on conventional loans and \$3,000 on government loans (FHA, VA and RD).

These 2010 Program Determinations are made and this statement thereof is duly executed as of January ____, 2010.

BREVARD COUNTY HOUSING FINANCE
AUTHORITY

By: _____

Eugene F. Terkoski
Chairman

MASTER SERVICER'S ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned, on behalf of U. S. Bank National Association, dba/ U. S. Bank Home Mortgage-MRBP Division (the "Master Servicer"), being duly organized under the laws of the United States, a national banking association and qualified to do business in the State of Florida, hereby acknowledges that it is the Master Servicer under that certain Master Mortgage Origination Agreement, (the "Master Origination Agreement"), in respect of the Brevard County Housing Finance Authority (the "Issuer") 2010 Program financed by the Single Family Housing Revenue Bonds, 2009 Series A (the "2009A Bonds"), and further hereby acknowledges and accepts the terms of the foregoing 2010 Program Determinations applicable to the Master Servicer with respect to the 2009A Bonds.

Executed as of January __, 2010.

U.S. Bank National Association, dba/ U.S. Bank
Home Mortgage-MRBP Division
as Master Servicer

By: _____
James R. Coreno
First Vice President

TRUSTEE'S ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned, on behalf of Wells Fargo Bank, N.A. (the "Trustee"), being duly organized under the laws of the United States and qualified to do business in the State of Florida, hereby acknowledges that it is a party to that certain Master Mortgage Origination Agreement, (the "Master Origination Agreement"), in respect of the Brevard County Housing Finance Authority (the "Issuer") 2010 Program financed by the Single Family Housing Revenue Bonds, 2009 Series A (the "2009A Bonds"), of the Issuer (the "2009A Bonds") for which it is the Trustee, and further hereby acknowledges and accepts the terms of the foregoing 2010 Program Determinations applicable to the Trustee with respect to the 2009A Bonds.

Executed as of January __, 2010.

WELLS FARGO BANK, N.A.
as Trustee

By: _____
Marylou Frey
Vice President

LENDER'S ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned, on behalf of _____(the "Lender"), being duly organized under the laws of the State of _____ and qualified to do business in the State of Florida, hereby acknowledges that it is a Lender under that certain Master Mortgage Origination Agreement, (the "Master Origination Agreement"), in respect of the Brevard County Housing Finance Authority (the "Issuer") 2010 Program financed by the Single Family Housing Revenue Bonds, 2009 Series A, of the Issuer (the "2009A Bonds"), and further hereby acknowledges and accepts the terms of the foregoing 2010 Program Determinations applicable to the Lender with respect to the 2009A Bonds.

IN WITNESS WHEREOF, this Lender's Acknowledgment and Acceptance is executed as of January __, 2010.

(SEAL)

By: _____
as Lender

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT A – LENDER INFORMATION

Company Name: _____
Point of Contact: _____
Address: _____
City, State, Zip: _____
Phone: _____
Email: _____

Approval Numbers
FHA / VA: _____
FNMA: _____
FHLMC: _____
RD: _____

Please include the following information for the originating lenders who will participate in this program:

Individual / Lender's Name: _____
Street Address: _____
City, State, Zip: _____
Phone Number: (_____) _____
Email: _____

Individual / Lender's Name: _____
Street Address: _____
City, State, Zip: _____
Phone Number: (_____) _____
Email: _____