

**SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS
SINGLE FAMILY MORTGAGE LOAN PROGRAM**

INVITATION TO LENDERS TO PARTICIPATE

Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers") hereby invite you to apply for participation in the Issuers' 2011 program for single-family residential housing to be financed with the proceeds of the Issuers' Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) (the "Bonds") or other secondary mortgage funding sources.

Secondary market sources or the proceeds of Bonds will be used to acquire mortgage-backed securities guaranteed by the Government National Mortgage Association ("GNMA") pursuant to the GNMA I and GNMA II Mortgage-Backed Securities Program (the "Securities") backed by pools of single-family mortgage loans (the "Mortgage Loans") made to finance the acquisition of newly constructed or existing residences (the "Program", as outlined in the Proposed Program Summary, **Exhibit A** attached hereto) within the boundaries of the Issuers and the cities and counties which enter into cooperation agreements with the Issuers (the "Program Area").

THIS PROGRAM WILL BE SUBJECT TO THE TERMS SET FORTH IN THE ORIGINATION AND SERVICING AGREEMENT (THE "AGREEMENT"), THE APPLICABLE LENDER NOTICE, AND THE OFFERS TO ORIGINATE AND ASSIGN SERVICING (THE "OFFERS"), WHICH INCORPORATE THE TERMS OF THE AGREEMENT BY REFERENCE.

Pursuant to the Offer and the Agreement, as supplemented by Lender Notices, Mortgage Loans will be originated by lending institutions participating in the Program ("Originating Lenders"). Each Originating Lender will agree to originate Mortgage Loans thereunder and *sell and assign all Mortgage Loans it originates, including servicing rights, to U.S. Bank National Association*, as Master Servicer (the "Master Servicer"), which will agree to accept assignments of Mortgage Loans and the servicing in connection therewith from Originating Lenders. Originating Lenders must satisfy applicable criteria relating to the origination and sale of Mortgage Loans established by the Master Servicer and the Compliance Agent. The Master Servicer will also be required to deliver the Securities backed by a mortgage pool consisting of Mortgage Loans assigned to such Master Servicer to the Bond Trustee or alternate security purchaser.

Qualifying Mortgage Loans will be loans that are made to persons and families residing within the Program Area whose annual family income does not exceed the applicable Federal Law Income Limit (as defined in the Agreement). The Agreement also provides that the residence acquired must be the principal residence of the Mortgagor, and, except in the case of residences located in certain federal Targeted Areas (as defined in the Agreement), each Mortgagor must not have held a present ownership interest in a principal residence at any time during the last three years. In addition, qualifying Mortgage Loans are subject to certain purchase price limitations, insurance requirements and other conditions of the Issuers, the Federal Housing Administration, the Department of Veterans Affairs, the USDA-RHS, GNMA, as more completely described in the Offer, the Agreement and the Lender Notice (such documents, together with this Invitation to Participate, collectively called the "Program Documents"). The Agreement, as supplemented by a Lender Notice, will be the principal document setting forth the rights and obligations of the Lenders and the Master Servicer under the Program.

Each lending institution must be approved by the Issuers to participate in the Program. Following submission of the Offers by lending institutions that wish to participate in the Program, such approval will be based on the Issuers' review and George K. Baum & Company's ("GKB") review of 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 Program Documents.

Lender Application Procedure

On or before 5:00 p.m. (Central Time), Friday, June 17, 2011, each lending institution desiring to become an Originating Lender in the Program is required to submit to the Issuers **one** executed copy of the Lender Questionnaire (**Exhibit B**) and **two** executed copies of the Offer to Originate and Assign Servicing.

Offers shall be delivered to:

Chuck Bouilly
George K. Baum & Company
100 North Main Street, Suite 810
Wichita, Kansas 67202
(316) 264-9351

PURSUANT TO RESERVATION PROCEDURES TO BE ESTABLISHED BY THE ISSUERS AND THE COMPLIANCE AGENT, MORTGAGE LOANS RESERVATIONS WILL BE MADE AVAILABLE TO PARTICIPATING LENDERS ON A FIRST-COME, FIRST-SERVED BASIS. THE ISSUERS WILL *NOT* ALLOCATE SPECIFIC COMMITMENT AMOUNTS AMONG THE LENDING INSTITUTIONS AND NO COMMITMENT FEES FROM LENDERS ARE REQUIRED IN CONNECTION WITH THIS PROGRAM.

All Originating Lenders shall be required to execute and be bound by the terms and conditions of the Agreement, as supplemented by the Lender Notices. After the Issuers and GKB review the Offers, the Issuers shall notify each Originating Lender accepted for participation in the Program and deliver a copy of the Agreement in substantially final form to each Lender.

The Issuers, the Master Servicer or the Compliance Agent will periodically send to each Originating Lender a Lender Notice (the "Lender Notice") specifying, among other things the Loan Purchase Price, the Federal Law Income Limits, applicable Acquisition Cost limits, the Stated Interest Rate for Mortgage Loans and the Mortgage Loan Origination Period.

Originating Lenders may *not* begin issuing commitments to make Mortgage Loans under the Program until the Issuers sent a Lender Notice. No Mortgage Loans shall be closed by an Originating Lender until (i) a Lender Notice has been received by the applicable Originating Lender, (ii) the applicable Originating Lender has executed and delivered the Agreement to the Issuers, and (iii) the applicable Originating Lender has executed and delivered to the Issuers a Resolution in the form of **Exhibit C**. The Lenders must sell and deliver Mortgage Loans to the Master Servicer within the delivery period set forth in the Lender Notice (establishing, among other matters, the interest rate for the mortgage loans).

Any questions with respect to the Program should be directed to:

Mr. Chuck Bouilly (316) 264-9351 bouilly@gkbaum.com
Mr. Keith Tully (816) 283-5152 tully@gkbaum.com
George K. Baum & Company
100 North Main Street, Suite 810
Wichita, Kansas 67202

THE DESCRIPTION HEREIN OF ANY OF THE TERMS OF THE PROGRAM IS QUALIFIED IN ITS ENTIRETY BY THE OFFER, THE AGREEMENT, EACH LENDER NOTICE AND THE ACCOMPANYING EXHIBITS. THE ISSUERS RESERVE THE RIGHT TO REJECT ANY AND ALL APPLICANTS.

Dated: June 6, 2011

SEDGWICK COUNTY, KANSAS
SHAWNEE COUNTY, KANSAS

EXHIBIT A
PROPOSED
PROGRAM SUMMARY

SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS

2011 Single Family Mortgage Loan Program

Program Size: \$30,000,000 – Initial Target

Program Area: Sedgwick and Shawnee Counties including Cooperating Cities and Counties in the Program Area which have entered into cooperation agreements with the Issuers.

Program Features:

Loan Type: FHA, VA or USDA-RHS

Terms: 30 Year – Fixed Rate

Interest Rate: 5.50% – 5.75% (see Rate Lock below)

Cash Assistance: 4% of Loan Amount (3 ½% for VA Loans)

Loan Type: FHA or USDA-RHS

<i>Fees:</i>	<u>Borrower:</u>	Origination Fee	1.00% (retained by Lender)
		Compliance Fee	\$225

	<u>Lender:</u>	Servicing Release Fee	1.00% (retained by Lender)
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Rate Lock: A Mortgage Loan becomes eligible for a rate lock only after a Mortgage Loan has been underwritten and the appraisal received. The interest rate will be based on the loan closing date and the final date for good delivery of the loan to the Master Service (U.S. Bank). Mortgage Loan must be delivered by the established final date. Originating Lenders are subject to a late delivery or non-delivery penalty. Generally speaking, loans must close within 30 days of the rate lock date.

Late Delivery
Penalty:

At the time of the rate lock, a final date for good delivery to the Master Servicer will be established. If a loan is delivered after that date, or the loan fails to deliver at all, a fee of \$500 per loan will be assessed to the Originating Lender.

Underwriting
Guidelines:

All loans must meet FHA and USDA-RHS underwriting guidelines respectively. All borrowers must have a minimum credit score of 620. Credit scores below 640 will require Homebuyer Education.

Compliance
Review:

All borrowers must be first-time homebuyers as defined by the U.S. Treasury. Generally, that means the borrower cannot have owned a home in the past three years. The borrower's family income cannot exceed the Homebuyer Income Limits and the home purchase price cannot exceed the Home Purchase Price Limits established by the U.S. Treasury. See the last page of this Exhibit for a listing of the Maximum Purchase Price Limits and the Homebuyer Income Limits.

eHousingPlus is the new Compliance Agent. The Compliance Agent will be responsible for reviewing all loan applications to determine if a loan is eligible based on income, purchase price and first-time homebuyer requirements. A Compliance Certificate will be issued by eHousingPlus *after* a loan has closed.

Recapture
Tax:

If the Mortgage Loan is included in a GNMA Security acquired by a purchaser other than the Bond Trustee, the Borrower is not subject to the Recapture Tax. If the Mortgage Loan is included in a GNMA Security acquired by the Bond Trustee, the Borrower is subject to the Recapture Tax. This tax is a repayment to the federal government for the interest rate subsidy that was provided by tax-exempt bond financing. Generally, the borrower must pay the federal government a portion of their profit, if any is made, if the borrower sell their home in the first nine (9) years. In no event will the tax exceed the lesser of 6.25% of the original mortgage amount or 50% of the borrower's net profit on the sale of the house. The Recapture Tax is paid through the borrower's Federal Income Tax Return.

Target Area

Considerations: If a loan is made in a Federally Designated Target Area, the first-time homebuyer requirement is waived in addition to higher purchase price and income limits.

Bond Counsel: Kim B. Wells
Gilmore & Bell, P.C.
2405 Grand, Suite 1100
Kansas City, Missouri 64108-2521
(816) 221-1000
(816) 221-1018 fax

Robert J. Perry, Esq.
9422 SW Hoch Road
Auburn, Kansas 66402
(785) 256-2266
(785) 256-2972 fax

Bond Underwriters: Chuck Bouilly
George K. Baum & Company
100 North Main Street, Suite 810
Wichita, Kansas 67202
(316) 264-9351
(316) 264-9370 fax
bouilly@gkbaum.com

Keith Tully
Roger Edgar
George K. Baum & Company
4801 Main St., Suite 500
Kansas City, Missouri 64112
(816) 283-5152
(816) 283-5326 fax
tully@gkbaum.com
edgar@gkbaum.com

Compliance Agent: eHousingPlus
2685 Executive Park 6
Weston, Florida 33331
(954) 217-0817
(888) 643-7974
Website: ehousingplus.com
Patt Denihan
(954) 430-6072
patt@ehousing.com

Master Servicer: Sheryl Krocek, Account Executive
Elmer Helbig, Client Support Executive
U.S. Bank Home Mortgage
17500 Rockside Road
Bedford, OH 44146-2099
(216) 475-7719 (TS)
(216) 475-8273 (SK)
(216) 475-7685 (EH)
email: sheryl.krocek@usbank.com
elmer.helbig@usbank.com

**SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS
Single Family Mortgage Loan Bond Program**

**MAXIMUM PURCHASE PRICE REQUIREMENTS
(Rev. Proc. 2011-23, Effective March 22, 2011)**

	<u>NEW AND EXISTING HOMES</u>	
	<u>Non-Target</u>	<u>Target</u>
All Areas	\$247,032	\$301,929

**HOME BUYER INCOME LIMITS
(HUD 2011 Income Limits Briefing Material; Issued June 1, 2011)**

	<u>NON-TARGETED AREAS</u>		<u>TARGETED AREAS</u>	
	<u>1-2 persons</u>	<u>3+ persons</u>	<u>1-2 persons</u>	<u>3+ persons</u>
Kansas City MSA (Leavenworth, Wyandotte, Johnson, Linn & Miami)	\$72,300	\$83,145	\$86,760	\$101,220
Lawrence MSA (Douglas)	70,600	81,190	84,720	98,840
All Other Areas	64,300	73,945	77,160	90,020

EXHIBIT B

SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS

LENDER QUESTIONNAIRE

Company Name _____

Address _____ Home Office _____

(1) OFFICE IN CHARGE OF KANSAS OPERATION:

Name _____ Telephone _____

Street Address _____ City _____ ZIP _____

Mailing Address _____ City _____ ZIP _____

E-Mail Address: _____ Fax Number _____

Name and Title of Officer-in-Charge _____

Type of Institution (Mortgage Company, National Bank, Kansas Bank, Federal S & L, State S & L, Credit Union, Life Insurance Company, Other):

(2) ORIGINATION INFORMATION (Long-Term First Mortgage Loans):

FHA-Approved Mortgagee No. _____

VA Approved: Date _____ Number _____

(3) Please check appropriate boxes for your institution:

Fannie Mae-Approved Seller [] Servicer []

FHLMC-Approved Seller [] Servicer []

GNMA-Approved Seller [] Servicer []

(4) Provide the following information relating to your single-family mortgage lending activities:

Total Loans Serviced:

Total Loans Serviced in the Program Area:

FHA/VA/USDA-RHS _____

FHA/VA/USDA-RHS _____

Conventional _____

Conventional _____

(5) Please attach your most recent Statement of Condition or its equivalent (audited financial statements).

(6) **If your Offer is accepted by the Issuers, and you intend to enter into arrangements with other Lenders for the origination of Mortgage Loans as authorized by this Program, please attach a list of those Originating Lenders.**

I hereby certify that the foregoing is true and accurate.

Authorized Officer (Signature)

Authorized Officer (Type or
Print Name and Office Held)

Dated: _____, 2011.

(Minimum penalty for willful or intentional false representations is immediate suspension from participation in Issuers Program.)

EXHIBIT C

[ORIGINATING LENDERS]

FORM RESOLUTION OF THE BOARD OF DIRECTORS

RESOLUTION OF THE BOARD OF DIRECTORS

OF

[Please type name of Lender]

RESOLVED, that _____ (the "Lender") hereby approves, ratifies, confirms and adopts the terms and conditions of (i) the Invitation to Participate, (ii) the Offer To Originate and Assign Servicing (the "Offer") and (iii) the related Origination and Servicing Agreement (the "Agreement"), by and among Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers"), the master servicer identified therein, the Trustee identified therein and this Lender in connection with the Issuers' Single Family Mortgage Loan Program, and any of the following persons:

[fill in names of authorized persons including
anyone authorized to approve amendments]

are hereby authorized to enter into and consent to further amendments to any of the foregoing documents prior to the date of delivery of the Issuers' Bonds.

FURTHER RESOLVED, that the Lender authorizes, ratifies and confirms the performance of the obligations, covenants and agreements of this Lender as set forth in or contemplated by the Agreement.

FURTHER RESOLVED, that the President or any Vice President, together with the Secretary or any Assistant Secretary, of the Lender or _____ be, and each of them hereby is, authorized to execute and deliver on its behalf the Agreement in substantially the form presented at this meeting.

FURTHER RESOLVED, that the proper officers and agents of the Lender designated herein be, and each of them hereby is, authorized, jointly and severally, to take any and all steps, do any and all things and execute and deliver any and all documents, including amendments thereto, in the name and on behalf of the Lender as may be necessary or appropriate to carry out the purpose of the foregoing resolutions and to perform the obligations of the Lender under the Agreement.

**SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS
SINGLE FAMILY MORTGAGE LOAN PROGRAM**

ORIGINATING LENDER'S OFFER TO ORIGINATE AND ASSIGN SERVICING

Two signed originals of this Offer to Originate and Assign Servicing (this "Offer") together with two signed originals of each of the Participant Questionnaire and the Anticipated Mortgage Loan Origination Schedule are to be delivered to Chuck Bouilly, George K. Baum & Company, 100 North Main Street, Suite 810, Wichita, Kansas 67202, by 5:00 p.m. (Central Time), Friday, June 17, 2011.

Name of Institution: _____

Address: _____

Contact Person: _____

Telephone Number: _____

Fax Number: _____

E-Mail Address: _____

Subject to the terms and conditions stated herein, the above institution (the "Originating Lender") hereby offers:

(a) To originate, on behalf of Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers"), and certain cooperating counties and cities, FHA-insured, USDA-RHS-guaranteed or VA-guaranteed mortgage loans (the "Mortgage Loans"), as described in the Origination and Servicing Agreement (the "Agreement"), and each Lender Notice delivered in connection with the program, in accordance with the terms and conditions of the Invitation to Participate, the provisions of which are incorporated herein by reference and, upon acceptance hereof, are hereby agreed to by the Originating Lender with such changes as shall be agreed to by the Originating Lender as evidenced by the execution of the Agreement by the Originating Lender; and

(b) Sell the Mortgage Loans and assign the servicing in connection with such Mortgage Loans to the Master Servicer described in the Agreement.

The Originating Lender understands that the interest rate applicable to the Mortgage Loans will be established from time to time by the Issuers by delivery of a Lender Notice, as described in the Invitation to Participate. The Originating Lender understands that if it closes a Mortgage Loan without the actual loan rate being approved by the Master Servicer or the Issuers, such Mortgage Loan will not be subject to purchase by the Master Servicer, the Trustee, the Issuers or alternate security purchaser.

The Originating Lender hereby certifies that, in connection with the transactions contemplated hereby, it has not directly or indirectly contracted or entered into any agreement with any other Lender (other than an institution which is affiliated with such Originating Lender) with respect to any aspect of the Originating Lender's participation in this financing, other than an agreement expressly authorized by the Agreement. The Originating Lender hereby agrees to hold the Issuers, their officers, employees and agents, and the original purchasers of the Bonds harmless, and to indemnify them for any costs they incur as a result of any violation of this paragraph by the Originating Lender.

This Offer is unilateral and may not be withdrawn prior to January 1, 2012 and shall be binding upon acceptance by the Issuers.

Date: June ____, 2011

as Originating Lender

By: _____
Title: _____