

**ORANGE COUNTY HOUSING FINANCE AUTHORITY
HOMEOWNER MORTGAGE REVENUE BONDS
(Multi-County Program)**

2014 PROGRAM NOTICE

The Orange County Housing Finance Authority (the “Authority”) hereby provides notice to Lenders of the commencement of its 2014 Program (the “Program”). Lenders may commence making reservations for loans pursuant to the Universal Mortgage Origination Agreement for Florida Local Housing Finance Authorities (the “Agreement”), and the terms contained herein. The description of the Program contained herein is intended only as a summary of certain provisions of the Program and is subject to more complete description of the rights, duties and obligations of the Lenders contained in the Agreement. The Agreement, this Program Notice and anticipated future periodic Program Notices should be read carefully in their entirety. In the event of any conflict between this Program Notice and the Agreement, the Agreement shall control over this Program Notice.

General: Pursuant to the Program, the Authority will make available \$20,000,000 in first mortgage financing for households purchasing residences in federally designated targeted areas and for first time homebuyers purchasing a home anywhere in a Participating County identified below (each a “Participating County”). The Authority is financing the Program with proceeds from its \$20 million Homeowner Mortgage Revenue Bonds, Series 2014 (Non-AMT) (Multi-County Program) (“Program Bonds”).

Participating Counties: Lake, Orange, Osceola, and Seminole

Mortgage Loans: Qualifying Low Rate Mortgage Loans must either be FHA Insured, VA Guaranteed or USDA/RD Guaranteed and eligible for securitization by GNMA. FHA Section 203(ks) rehab loans are not eligible. All homes financed under the Program must be the primary residence of the owner-occupant. Lenders must make reservations for loans on a first-come, first-served basis.

Interest Rates: Low Rate Mortgage Loans are expected to bear interest at a weighted average interest rate of 3.91% per annum. The current interest rate being offered on Low Rate Mortgage Loans is 3.75%. Mortgagors are required to pay a loan origination fee of 1.0% with no discount points. The Low Rate Mortgage Loan interest rate, origination fees and discount may be changed, at the option of the Authority, and subject to the satisfaction of the conditions set forth in the Series Supplement for the Program Bonds.

Term: 30 year fixed-rate level amortizing mortgage loans;

Mortgage Insurance: FHA, VA or RD.

Loan Documentation: Mortgage loans must meet all applicable GNMA underwriting guidelines and must further be eligible to be securitized in GNMA Certificates.

Firm Commitment: Taking down a Rate Lock for a loan confirms that the Lender agrees to sell and the Authority commits to purchase such loan via the Servicer under the terms and at the price described in this Program Notice.

**Timely Delivery
Procedures:**

Loan Reservation: Reservations in the Program Administrator's systems require that an applicant has (a) placed an eligible residence under contract, (b) completed a loan application with a Lender, and (c) provided a Lender with all documentation required by the Lender including relevant federal income tax transcripts. The date by which these requirements shall have been completed is referred to herein as the "Rate Lock Date".

Underwriter Certification: Following the Reservation Date, Lenders must submit an applicant's income and other required information to the Program Administrator and the loan must be certified by the Program Administrator as eligible for the Program within 30 days of the Reservation Date. The date by which these requirements shall have been completed is referred to herein as the "Underwriter Certification Date".

Loan Closing Confirmation: No more than 45 days from the Rate Lock Date and on the day of Closing, Lenders must confirm the "Loan Closing Date" by entering the date into the Program Administrator's system.

File Delivery: A completed loan file must be delivered to the Servicer for purchase within 60 days of the Rate Lock Date (the "Loan Delivery Date").

Cleared for Purchase: Loan files must be cleared of any exceptions and the loan deemed eligible for purchase by the Servicer within 75 days of the Rate Lock Date.

Lender Profit:

Timely Purchase: Loans delivered, cleared of all exceptions and eligible for purchase within 75 days of the Rate Lock Date ("Timely Purchase"), will be purchased by the Servicer at a price that results in net lender profit of 2.50% of the par amount of the loan for GNMA eligible loans (including the 1.0% origination fee paid by the borrower).

Late For Purchase: Loans not delivered, cleared of all exceptions and eligible for purchase within 75 days of the Rate Lock Date will be automatically cancelled unless the Lender requests an extension of time in writing to the Authority (“Late For Purchase”).

Late Delivery Purchase Price Adjustment: The Authority will generally grant a maximum 30 day extension, however, the price paid to the Lender by the Servicer for any loan that is Late For Purchase, will be reduced by 0.25% to account for additional negative arbitrage and/or rate hedging costs incurred by the Authority.

**County /City
Assistance:**

Lower cost (e.g., 0% interest and/or deferred due on sale) second mortgage down payment assistance may be available from county or local governments. Such programs are generally funded with State of Florida SHIP funds or federal HOME funds. Lenders are expected to refer Borrowers that may be eligible for such assistance to the appropriate County/City or local jurisdiction, or to the Authority staff who may be able to assist the Borrower in submitting applications for such assistance.

**Authority
Assistance:**

In addition to the County or City Assistance described above, the Authority will offer on a first come first serve basis to Eligible Borrowers low cost subordinated mortgage down payment and closing cost assistance loans funded from Authority general funds in an amount of up to \$7,500. These Subordinate Mortgage Loans are 30 year zero percent (0%) deferred second mortgage loans. Maximum family income levels for subordinated mortgage loans are the same as the first mortgage loan limits. Lenders may charge and retain a fee of \$250 for processing subordinated mortgage loans. Such fee shall be paid by the buyer or seller and cannot be financed. Lenders must follow all applicable fee cap and disclosure requirements of FHA, VA or RD.

**Homebuyer
Education:**

All buyers (i.e., any person on the note other than a co-signer) must attend an approved face-to-face or designated online HUD approved homebuyer education course. See the eHousing website (www.ehousing.cc) for a list of approved courses. Please check the list frequently as it may change during the course of the Program.

**First Come, First Served
Reservation Pools:**

The Authority will make Program funds available to Lenders pursuant to a first-come, first-served pooled reservation procedure. Over the course of the Program it is anticipated that the Program pools will consist of any one or more of the following:

1. Spot loan pool to originate loans for existing or new construction loans that are ready to close within 30 to 45 days of the reservation date; and
2. Targeted Area set-aside pool to originate loans in qualifying targeted census tracts.

**Acceptable
Application Fees:**

The Lender may collect an up-front application fee to cover actual costs of the credit report and appraisal. In addition, the Lender shall collect from the borrower or seller at the time of closing such loan a compliance review fee of \$225 payable to the Program Administrator. In addition, a funding fee of \$300 and a tax service fee of \$85 shall be payable upon funding of the loan by the Servicer.

**First Time Homebuyer
Requirements:**

Federal law requires that the proceeds of the Program Bonds must be used to finance mortgage loans (except mortgage loans on residences in targeted areas) made to households that have not had a home ownership interest in a principal residence at any time during the three-year period preceding the closing date of the mortgage loan. To ensure compliance with this statutory requirement, each purchaser of a Residence will be required to submit to the Lender his or her federal income tax transcripts for the prior three years or other acceptable evidence that such purchaser is a first-time homebuyer. If this requirement is violated, the Lender that originated the loans must repurchase the nonconforming loans.

Targeted Areas:

There will be a Targeted Area set-aside pool established by the Authority. Targeted Area income and purchase price limits apply to loans originated in Targeted Areas. Also, homebuyers do not need to be first-time homebuyers in Targeted Areas.

Lake County: Census Tract No. 0305.03
Orange County: Census Tract Nos. 0104.00, 0105.00, 0116.00,
0117.02, 0120.00, 0124.01, 0135.03, 0145.02,

0145.03, 0150.01, 0165.10, 0169.07, 0185.00,
0187.00

Osceola County: Census Tract Nos. 0419.00, 0422.00, 0432.01

Seminole County: Census Tract Nos. 0204.01, 0205.00, 0220.01

**Exemption from
Documentary
and Intangible Taxes:**

Under Section 159.621, Florida Statutes, the Mortgage and Note for Low Rate Loans are exempt from documentary and intangible taxes.

**Income and
Acquisition Price
Limits:**

To qualify for the Program, the income of participating households may not exceed the following:

	Non-Targeted Area Residences		Targeted Area Residences	
	1-2 Family Members	3+ Family Members	1-2 Family Members	3+ Family Members
Maximum Current Family Income:				
Orange County	\$66,668	\$76,668	\$67,680	\$78,960
Osceola County	66,668	76,668	67,680	78,960
Seminole County	66,668	76,668	67,680	78,960
Lake County	66,668	76,668	67,680	78,960

To qualify for the Program, purchase prices may not exceed the following:

	Non-Targeted Area Residences*		Targeted Area Residences*	
	1-2 Family Members	3+ Family Members	1-2 Family Members	3+ Family Members
Orange County	\$268,875	\$268,875	\$328,625	\$328,625
Osceola County	268,875	268,875	328,625	328,625
Seminole County	268,875	268,875	328,625	328,625
Lake County	268,875	268,875	328,625	328,625

* Also subject to the applicable FHA/VA limits

**Minimum Credit
Score:**

Borrowers under the Program must have a minimum FICO score of 640.

Co-signers:

Co-signers are allowable in an FHA transaction when meeting the following conditions: (1) a co-signer cannot have any ownership interest in the property (they cannot be on the title) and (2) the co-signer cannot reside in the property being purchased. A co-signer's income is not

considered for bond program purposes, tax transcripts are not required and co-signers do not sign any bond documents.

**Program
Administration and
Servicing:**

All mortgage loans will be serviced by U.S. Bank National Association, as Servicer. Housing And Development Services, Inc. d/b/a eHousingPlus acts as Program Administrator.

Repurchase of Loans:

Each Lender must agree to repurchase any loan sold to the Servicer at any time during the life of such loan as set forth in the Participating Lender Agreement between the Lender and the Servicer.

Indemnification:

Each Lender shall agree to protect, indemnify and hold the Servicer harmless as set forth in the Participating Lender Agreement between the Lender and the Servicer.

**Refund of Service
Release Premiums:**

Each Lender shall refund to the Servicer all service release premiums received from the Servicer with respect to a particular loan as set forth in the Participating Lender Agreement between the Lender and the Servicer.

**Lender Training
and Reservation
Start Dates:**

Lenders may commence accepting reservations once they have submitted all executed documents. New Lenders who have not attended lender training previously shall be required to attend lender training.

W. D. Morris, Executive Director

Date: December 3, 2014

Accepted

Authorized Officer (Signature)

Date