

2009/2010 PROGRAM INVITATION AND GUIDELINES

The Housing Finance Authority of Pinellas County, Florida (the "Issuer") hereby invites Lenders (as hereinafter defined) to participate in its 2009/2010 lending program ("2009/2010 Program") by execution and delivery to the Issuer of these 2009/2010 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 "2009/2010 Program Determinations") in conjunction with the anticipated issuance of its Single Family Housing Revenue Bonds (Multi-County Program), 2009/2010 multiple series (the "2009/2010 Bonds") and declares and determines that the 2009/2010 Program Determinations shall form and be an integral part, along with the Master Mortgage Origination Agreement, dated as of May 1, 1998, (the "Master Origination Agreement") among the Issuer, the lending institutions participating in the program described herein (collectively, the "Lenders"), U.S. Bank N.A., as the Master Servicer and U.S. Bank National Association, as Trustee (the "Trustee"), of the 2009/2010 Origination Agreement, which consists of the Master Origination Agreement as modified, supplemented and amended by these 2009/2010 Program Determinations. The undertaking and agreement to be bound by the 2009/2010 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 2009/2010 Program Determinations and the Master Origination Agreement, the provisions hereof shall prevail.

Program Terms and Conditions:

Home Key Mortgage Loans: The Issuer plans to make available first mortgage financing for households purchasing residences in federally designated target areas and for first time homebuyers purchasing a home anywhere in Pinellas County. Pending approval, the 2009/2010 Program may be expanded to include Mortgage Loans originated in Pasco County and Polk County. The Issuer will provide written notice to Lenders should these or additional counties be added to the 2009/2010 Program. The Issuer expects to finance Home Key Mortgage Loans with the proceeds of 2009/2010 Bonds or from other sources of debt or capital available to the Issuer. Should the Issuer choose to terminate or suspend the 2009/2010 Program it will do so in writing to Lenders at least one business day prior to the effective date of any such termination or suspension. The Issuer hereby commits to purchase any qualified and conforming Home Key Mortgage Loans that are reserved in accordance with the 2009/2010 Program guidelines prior to any termination or suspension date. Home Key Mortgage Loans may only be made to first time 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), however for home buyers with non-traditional credit or where there is no FICO score, manual underwriting shall be permitted.

Homebuyer Education. All borrowers and anyone listed on the deed must take face to face homebuyer education from an approved agency or other educational component approved by the Issuer. The Issuer prefers that education be taken as early in the homebuyer process as possible to maximize the benefit to the borrowers. Borrowers who have owned homes in the last three years under the Veteran's Exception described below or the targeted area exception are exempt from the homebuyer education classes. Borrowers who have not been homeowners in the last three years are not exempt (even if purchasing in targeted areas or utilizing the Veterans Exception). Homebuyer Education Certificates are acceptable for a period of one year.

Veterans Exception. Veterans who meet the qualifications listed in this paragraph are not required to be first-time homebuyers. Congress has reinstated the Veteran's Exception provision. For this feature, "veteran" is defined as "a person who served in the active military, naval or air service, and who was discharged or released therefrom under conditions other than dishonorable." The Mortgageor Affidavit has a checkbox that states:

"Mortgagor or Comortgagor meets the requirements to qualify as a 'veteran' as defined in 38 U.S.C. Section 101 and has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran exception to the first-homebuyer requirement set forth in Section 416 of the Tax Relief and Health Care Act of 2006. Attached hereto are true and correct copies of my discharge or release papers which demonstrate that such discharge or release was other than dishonorable."

Mortgage Interest Rates. The Issuer will establish initial mortgage interest rates on or about October 21, 2009, prior to pricing or issuing its bonds. Mortgage interest rates may be changed at any time by the Issuer at its sole discretion, however, the Issuer will make its best effort to announce changes in mortgage interest rates on Tuesdays. Changes in interest rates will be announced at least one business day prior to the effective date of the new interest rates. The Issuer's published interest rate on the date a loan registers a Rate Lock with the Master Servicer is a firm interest rate for that loan and cannot be changed by the Lender or by the Issuer.

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

Mortgage Insurance. All Home Key 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%.

Home Buyer Fees and Points. Listed below are the home buyer point structures for the home buyer options:

<u>Loan Type</u>	<u>Origination Fee</u>	<u>Discount</u>	<u>Assistance</u>
Home Key Loan Option:			
FHA/VA/RD	0.00%	0.00%	0.00%
Fannie Mae	0.00%	0.00%	0.00%
Freddie Mac	0.00%	0.00%	0.00%
Home Key 2 nd Loan Option:			
FHA/VA/RD	0.00%	0.00%	\$12,000 ¹
Fannie Mae	0.00%	0.00%	12,000 ¹
Freddie Mac	0.00%	0.00%	12,000 ¹

Maximum Current Family Income Limits

Maximum Current Annual Family Income limits are as stated below, which amounts may be redetermined by the Issuer and provided to the Servicer 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 2009/2010 Program, their Income and Acquisition Price information will be provided by the Issuer.

	NON-TARGETED AREAS		TARGETED AREAS	
	<u>1 or 2 Family Members</u>	<u>3 or More Family Members</u>	<u>1 or 2 Family Members</u>	<u>3 or More Family Members</u>
Pasco County	\$59,200	\$68,080	\$ N/A	\$ N/A
Pinellas County	59,200	68,080	71,040	82,880
Polk County	58,800	67,620	70,560	82,320

¹ Closing cost and down payment assistance second mortgage loans will be up to \$12,000 for the initial series of 2009/2010 Bonds. However, the amount of Assistance Payments may be reduced at the Issuer's discretion for future series of 2009/2010 Bonds.

Maximum Acquisition Prices:

	NON-TARGETED	TARGETED
	<u>All Housing</u>	<u>All Housing</u>
Pasco County	\$258,690	\$ N/A
Pinellas County	258,690	316,177
Polk County	258,690	316,177

The foregoing amounts may be redetermined 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.

Home Key 2nd Mortgage Loans. Second mortgage loans in amounts up to \$12,000 are available for down payment and closing cost for use with Home Key 1st Mortgage Loans. The Home Key 2nd is available anywhere in Pinellas County. Home Key 2nd Mortgage Loans bear interest at a rate of 0% and require no payments for 5 years. Thereafter, the loan will amortize in equal fixed payments over a ten year period. Income and maximum purchase price limits are the same as the limits for Non-Targeted Area Home Key 1st Mortgage Loans.

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 Participate 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. The Lender may collect from the borrower or seller, (1) origination and discount fees in the amount specified above, (2) all reasonable and customary closing costs and (3) an up-front application fee not exceeding \$425, to cover actual costs of the credit report and appraisal. In addition, the Lender shall collect from the borrower or seller a Bond Loan Application fee of \$225 and a Tax Service Fee of \$85 payable to the Servicer. The Lender will collect a Second Mortgage Application Fee in the amount of \$225, of which \$150 will be paid to the Servicer, out of the proceeds of Home Key 2nd Loans as provided in the 2009/2010 Program.

Total Lender Profit

The mortgage loan purchase prices and net profit for mortgage loans originated are set forth below. Lenders are not required to pay a commitment fee to the Issuer.

<u>Home Key Loan Option:</u>	<u>FHA/VA/RD</u>	<u>FANNIE MAE/ FREDDIE MAC</u>
Origination & Discount	0.000	0.000
Servicer Purchase Premium	Par <u>+1.750</u>	Par <u>+1.750</u>
Total Lender Profit	1.750	1.750

<u>Home Key 2nd Loan Option:</u>		
Assistance Paid by Lender at Closing	0.000	0.000
Origination & Discount	0.000	0.000
Commitment Fee Reimbursement	<u>0.000</u>	<u>0.000</u>
Total Lender Profit	0.000	0.000

Mortgage Loans delivered, cleared of all exceptions and eligible for purchase within 60 days of the Reservation/Rate Lock Date, will be purchased by the Master Servicer at a price that results in net lender profit of 1.75% of the par amount of the loan (“Timely Purchase”). Mortgage Loans not delivered, cleared of all exceptions and eligible for purchase within 60 days of the Reservation/Rate Lock Date will be automatically cancelled unless the Lender requests an extension of time in writing to the Issuer (“Late For Purchase”). The Issuer will grant a maximum 30 day extension, however, the price paid to the Lender by the Master Servicer for any Mortgage Loan that is Late For Purchase, will be reduced by .35%, (i.e., after 60 days from the Reservation/Rate Lock Date Lender profit will be reduced from 1.75% to 1.40%) to account for additional negative arbitrage and/or rate hedging costs incurred by the Issuer. Mortgage Loans that are late for purchase and not delivered within the authorized extension period, will be cancelled.

A portion of the funds made available through the issuance of the Bonds may be set aside for the origination of Targeted Area Loans, and Lenders are encouraged to originate such Targeted Area Loans.

Program funds available for Home Key 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 Home Key Loans for rehabilitation loans meeting the guidelines under the FHA 203(K) program for the origination fees permitted and in accordance with Program requirements outlined in the Program Administrative Guide.

The first time homebuyer requirement will not apply to Home Key loans which qualify as rehabilitation loans.

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 2009/2010 Program Determinations as directed by Issuer and complete Lender training on a date to be determined by the Issuer.

In order to close Mortgage Loans in the 2009/2010 Program, closing agents must attend training. A list of trained Title Companies will appear on the website.

Timely Delivery Procedures: (60 days from Rate Lock to Loan Purchase):

Mortgage Loan delivery procedures including reservations, Underwriter Certification, loan closing confirmation, Compliance File delivery and purchase of Mortgage Loans are as specified on Exhibit B attached hereto.

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 or as may be listed from time to time in the Lender's Guide. Targeted Areas are listed in the Lender's Guide and may be modified from time to time.

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 Housing (RHS), 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) For loans not underwritten by the Master Servicer or its approved designees, should the mortgagor fail to make the first payment due to the Master Servicer by the due date of the next mortgage payment; or

c) 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

d) Participating Lender fails to obtain FHA insurance, VA or RHS 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

e) 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

f) Any representation or warranty made by the Participating Lender under these 2009/2010 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

g) 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

h) Participating Lender's breach of any covenant or obligation to the Master Servicer with respect to the Mortgage Loan under these 2009/2010 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 due to refinancing 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 paid to the Issuer from the Master Servicer with respect to that Mortgage Loan if the Participating Lender or an affiliate of the Participating Lender does the refinancing.

b) If any Mortgage Loan, underwritten by the Participating Lender, becomes delinquent for any of the first three (3) scheduled monthly payments after the first payment due the Master Servicer, and is not brought current by the borrower within 90 days of such delinquency the Participating Lender may elect one of the following options:

- (1) refund to the Master Servicer all service release premiums paid to the Issuer from the Master Servicer with respect to that Mortgage Loan plus an indemnification fee of \$1,000 on conventional loans and \$2,000 on government loans excluding a first payment default as defined in the Repurchase of Loans, Section (b) of the Master Origination Agreement; or
- (2) repurchase of the loans as outlined in the section entitled "Repurchase of Loans".

These 2009/2010 Program Determinations are made and this statement thereof is duly executed as of October __, 2009.

HOUSING FINANCE AUTHORITY OF
PINELLAS COUNTY, FLORIDA

By: _____

Rodney S. Fischer
Chairman

MASTER SERVICER'S ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned, on behalf of U.S. Bank N.A. (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, dated as of May 1, 1998, (the "Master Origination Agreement") in respect of the Housing Finance Authority of Pinellas County, Florida (the "Issuer") 2009/2010 Program financed by the Single Family Housing Revenue Bonds, 2009/2010 [Multiple Series], of the Issuer (the "2009/2010 Bonds"), and further hereby acknowledges and accepts the terms of the foregoing 2009/2010 Program Determinations applicable to the Master Servicer with respect to the 2009/2010 Bonds.

Executed as of October __, 2009.

U.S. BANK N.A.
as Master Servicer

By: _____
Lawrence A. Ball
Vice President

TRUSTEE'S ACKNOWLEDGMENT AND ACCEPTANCE

The undersigned, on behalf of U.S. Bank National Association (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, dated as of May 1, 1998, (the "Master Origination Agreement") in respect of the Housing Finance Authority of Pinellas County, Florida (the "Issuer") 2009/2010 Program financed by the Single Family Housing Revenue Bonds, 2009/2010 [Multiple Series], of the Issuer (the "2009/2010 Bonds") for which it is the Trustee, and further hereby acknowledges and accepts the terms of the foregoing 2009/2010 Program Determinations applicable to the Trustee with respect to the 2009/2010 Bonds.

Executed as of October __, 2009.

U.S. BANK N.A.
as Trustee

By: _____
Scott A. Schuhle
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, dated as of May 1, 1998, (the "Master Origination Agreement") in respect of the Housing Finance Authority of Pinellas County, Florida (the "Issuer") 2009/2010 Program financed by the Single Family Housing Revenue Bonds, 2009/2010 [Multiple Series], of the Issuer (the "2009/2010 Bonds"), and further hereby acknowledges and accepts the terms of the foregoing 2009/2010 Program Determinations applicable to the Lender with respect to the 2009/2010 Bonds.

IN WITNESS WHEREOF, this Lender's Acknowledgment and Acceptance is executed as of October __, 2009.

(SEAL)

By: _____
as Lender

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT A

Notice Addresses for each 2009/2010 Program Lender

EXHIBIT B

Timely Delivery Procedures

Participating Lender: _____

Loan Reservation: ("Rate Lock Date"): Reservations in the Program Administrator's system 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 returns. Reservations cannot be made more than 20 days prior to closing.

Underwriter Certification: Following the Rate Lock, Date, the Lender's underwriter must complete an online Underwriter Certification. This step must be accomplished well in advance of loan closing.

Loan Closing Confirmation: No more than 20 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 Master Servicer for purchase and a Compliance File delivered to the Program Administrator **within ____ days of the Rate Lock Date** ("Loan Delivery Date")

Loans Cleared for Purchase: All loan files must be cleared of any exceptions, the Compliance File must receive Compliance Approval and the Mortgage Loan deemed eligible for purchase by the Master Servicer within 60 days of the Rate Lock Date.