



Travis County Commissioners Court Agenda Request
TRAVIS COUNTY HOUSING FINANCE CORPORATION

Meeting Date: September 2, 2014

Prepared By/Phone Number: Andrea Shields, Corporations
Manager/854-9116

Elected/Appointed Official/Dept. Head: Leroy Nellis, Acting County
Executive, Planning and Budget/854-9066

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE:

Consider and take appropriate action to A) approve 2014 Travis County Housing Finance Corporation Turnkey Mortgage Origination Program; and B) approve the opening of a new bank account with Chase Bank for the program.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116;
Leroy Nellis, Acting County Executive, Planning and Budget/854-9066

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



Travis County Housing Finance Corporation

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(512) 854-9116

www.traviscountytx.gov/corporations/

MEMO

August 27, 2014

To: Board of Directors
From: Andrea Shields, Manager
Re: TBA Turnkey Mortgage Origination Program

Introduction

In the past, the Travis County Housing Finance Corporation has assisted home buyers with down payment assistance (DPA) in three ways: 1) through single-family bond issues; 2) through the HOME Investment Partnerships Program (HOME); and 3) through the Neighborhood Stabilization Program (NSP.) Bond issues and HOME grant programs have assisted hundreds of families in purchasing a home, while NSP funds have provided assistance for eight households. Currently, the Corporation does not have a DPA program in place due to prohibitive market conditions and very high competition for grant dollars.

Corporations' staff would like to introduce the Travis County Housing Finance Corporation's "Turnkey" Mortgage Origination Program. This program would be self-sustaining and would not involve bonds or grant funding. The program would provide down payment assistance and greater housing choice to qualified participants while offering the same negligible risk to the Corporation as a single-family bond program.

Program Summary

The suggested program parameters, outlined below, were designed based on other similar state and regional programs, Raymond James' experience with these programs, conversations with lenders, and identified market needs.

- The Travis County Housing Finance Corporation's Turnkey Mortgage Origination Program would provide a 30-year fixed-rate mortgage with a down payment assistance (DPA) **grant** equal to 5% of the mortgage amount to qualifying low- and moderate-income home buyer families in Travis County, including within the City of Austin. Of the 5% grant, 3.5% would go directly to the home buyer to assist with down payment and/or closing costs. The remaining 1.5% would constitute an origination fee for the lender.

- All loans would be FHA or VA and made to qualifying home buyers with: 1) minimum FICO scores of 640; 2) a maximum 45 debt-to-income ratio; and 3) HUD-approved home buyer education. All loans would be for home purchases: refinances are not eligible.
- As loans are originated, they will be pooled by US Bank as servicer into GNMA certificates, which will be purchased by Raymond James. Once sold, the Corporation's DPA will be repaid with an additional fee of approximately 0.50%, which will sustain the program and support continued growth.
- Staff recommends participant household income be limited to 140% of the Area Median Income (AMI). This threshold is recommended for several reasons: 1) it is the HUD threshold for affordability; 2) the Corporation has previously issued single-family bonds with this AMI threshold; 3) lenders suggest that the 140% income limit would fill a need in the market; and 4) this is a reasonable threshold considering housing costs in Travis County.
- According to the Real Estate Center at Texas A & M University, Texas currently has the highest closing costs of any of the 50 states with an average of \$3,046 per transaction. (August 5, 2014) The Corporation's proposed program will remove a barrier to entry for well qualified low- to moderate-income home buyers, creating greater housing choice and fostering mixed income housing in our community.

** More detailed information on the proposed terms of the program is available in backup.*

Costs & Sources of Funds

On May 21, 2013, the Board authorized the Corporations to redeem the 1999A series Single-Family Revenue Bonds, which netted the Corporation \$251,515.74. Staff committed to the Board that the proceeds would be reinvested into a Corporation housing program. Staff proposes funding the TBA Turnkey Mortgage Origination Program with those proceeds. To establish and fund the program, approximately \$50,000 will be allocated for startup costs (attorney's fees, FA fees, program marketing, etc.) and the fund account would be seeded with \$200,000 to begin originations. To clarify, ***no County funds are required for the TBA Turnkey Mortgage Origination Program.*** As the loans are originated and sold to servicers, the 5% Corporations DPA will be returned with a 0.50% additional fee. These funds will eventually reimburse the Corporation's out-of-pocket expenses and then provide funds to the Corporation to allow the program to continue for as long as there is qualified demand or as long as the Board opts to leave the program in place.

Next Steps

The next steps would include:

- Approving today's resolution, authorizing the establishment of the program and the opening of a bank account.
- Corporations' staff and counsel will work with Raymond James and lenders to set up the program, aiming to launch in late October or early November.
- Return to Court to announce the launch of the program and outline marketing efforts.

RAYMOND JAMES®

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Stacy W. Houston
Vice President
stacy.houston@raymondjames.com

TO: Andrea Shields/Karen Thigpen
Travis County Housing Finance Corporation

FROM: Mark O'Brien

RE: *Proposed 2014 Travis County HFC "Turnkey" Mortgage Origination Program*

DATE: June 24, 2014

It's been a pleasure for Raymond James to visit over the past several months with Travis County HFC staff, FA Ladd Pattillo, and counsel Cliff Bount on a proposed 2014 "Turnkey" mortgage origination program for Travis County and Austin. Our firm, as you know, was the pioneer in developing and implementing in early 2012 this sort of "non-bond" single family mortgage program for state and local housing finance agencies (HFAs) around the country. We're now the national leader – retained by 10 state HFAs (including TSAHC here in Texas) and 16 local HFAs.

As we've discussed with staff since fall 2012, a Turnkey program would not be funded with the proceeds of tax-exempt single family bonds - which Raymond James has worked on successfully with Travis County since 1997. Rather, Raymond James funds the purchase of the program mortgage loans and GNMA certificates. And we price the mortgage loans/mortgage rates each business morning, and hedge the resulting mortgage loan portfolio, using the taxable forward "to be announced" (TBA) market for GNMA's. Attached again is a recent one-page summary of the Raymond James Turnkey/TBA platform.

Also attached at staff's request and further to our recent discussions is a one-page lender handout/summary for the proposed fall 2014 Travis County HFC Turnkey program. The distinctions between the Travis County program and the three similar programs currently offered statewide (TDHCA, TSAHC, and SETH) are outlined in the lender handout. Because this would be a "non-bond" program, the HFC is able to increase or decrease the income and purchase price limits, and eliminate the first-time home buyer (FTHB) requirement. The potential market for the program widens by eliminating the FTHB requirement. However, based on our experience with these programs elsewhere, generally more than 97% of borrowers remain FTHBs, and all borrowers would be required to complete HUD-approved homebuyer education. Feedback on the proposed program solicited from three major lenders in the County (Cornerstone, DHI, and PrimeLending) has been quite positive. City of Austin staff also has indicated their willingness to make program funds/mortgages available in Austin.

In terms of cost, as you know the start-up expenses and work for staff and the professional team are considerably less than for a single family bond program. Raymond James does not charge a fee to implement the program, and we estimate that total program expenses payable by the HFC at program launch in early September (financial advisor, counsel, and trustee/DPA grant escrow agent) would be less than \$50,000. Ongoing staff time to put in place, then administer the program ongoing, also should be relatively low.

And as we've gone over in detail with staff and the professional team, the HFC in addition would place in escrow with the trustee at program launch an initial \$200,000 to fund an escrow for the 5% down payment assistance (DPA) grants to eligible home buyers in Travis County and Austin. These funds only would be expended, however, as mortgage loans are closed under the program. Moreover, such DPA grant funds would be returned to the HFC's escrow (along with a fee to the HFC initially targeted at 0.50%) upon sale of the resulting GNMA certificates to Raymond James about 60 days later.

As always, please don't hesitate to contact us with any comments or questions, or should you need anything further for now. Raymond James also would be happy to assist in meetings with HFC Board members currently contemplated for July.

Attachments

cc: Ladd Pattillo, D. Ladd Pattillo & Associates (*Financial Advisor*)
Cliff Blount, Naman Howell (*Issuer's Counsel*)
Bob Coleman/Stacy Houston, Raymond James (*Structuring Agent/GNMA Purchaser*)

Travis County Housing Finance Corporation “Turnkey” Mortgage Origination Program



Program Benefit: The Travis County Housing Finance Corporation’s “Turnkey” Mortgage Origination Program will provide a competitive 30-year fixed-rate mortgage, with a **down payment assistance (DPA) grant equal to 5% of the mortgage amount**, to qualifying low and moderate income home buyer families throughout Travis County, including in the City of Austin.

Program Mortgage Rate: Will be slightly above market rate (e.g., as of 8/25/14 anticipated to be **4.625%**). The program mortgage rate will change periodically to stay competitive with the market.

Program DPA/Lender Compensation: Each home buyer family will receive a non-repayable DPA grant for down payment & closing costs equal to 5% of the initial principal amount of the mortgage loan. This is funded directly by the Travis County HFC at loan closing. The net DPA is 3.5%, taking into account a 1.5% origination fee. Lender income is 2.5%, coming from the maximum 1.5% origination fee at loan closing plus a 1% SRP (0.50% for VA loans) upon sale of the loan to the Servicer, US Bank Home Mortgage.

Program Period: Travis County HFC, as Program Sponsor, anticipates finalizing the program in September, and then rolling out the Turnkey Mortgage Origination Program in late October. The Travis County HFC anticipates an initial two-year program term, though extendable thereafter to allow for continuous availability of funds to lenders & home buyers and “continuous origination.”

Eligible Mortgages: The normal tax-exempt bond or mortgage credit certificate (MCC) program requirements (income & purchase price limit, and first-time home buyer) will not apply. In addition, the home buyers will not be subject to “Recapture Tax.” Travis County HFC currently anticipates the following requirements for eligible home buyers:

- 1) **No First-Time Home Buyer (FTHB) Requirement**
- 2) **Maximum Credit Qualifying Income: \$105,560 (140% of AMFI)**

Eligible Loans: FHA , VA, or USDA-RD, all 30-year, fixed rate & poolable into GNMA Certificates, minimum 640 FICO score (660 for manufactured housing), maximum 45 debt-to-income (DTI) ratio. All homebuyers must receive HUD-approved homebuyer education. Loans must be “underwriter certified” within 15 days of loan reservation, closed within 45 days, and purchased by the Servicer within 70 days. No refinances.

Participating Lenders: Must be approved by the Travis County HFC & the Servicer, sign a Participating Lender Agreement with the Servicer, sign a Lender Agreement with Travis County HFC, and receive webinar training from the online loan reservations Administrator, eHousingPlus. No fee to lender to participate.

Other Statewide Programs: The Travis County HFC 2014 Turnkey program will differ from the other three “market rate” programs currently available statewide: (1) TDHCA—has only 3% (not 3.5%) net DPA , DPA is a 2nd mortgage (not grant), only up to 115% AMFI (not 140%), has a FTHB requirement, (2) TSAHC—has only 3% net DPA, only up to 80% AMFI, (3) SETH—will no longer be available in Travis County & Austin on & after 10/1/14.

For More Information: Please contact Stacy Houston with Raymond James & Associates, Inc. (stacy.houston@raymondjames.com.)

August 5, 2014

Lone Star State Highest in Closing Costs

SAN ANTONIO ([San Antonio Business Journal](#)) – Speaking of regulations, housing costs and Texas (see previous article), Bankrate reports that Texas leads the nation in mortgage closing costs.

According to the financial rate information aggregator, closing costs here average \$3,046.

Nationally, closing costs went up 6 percent during the past year. They now average \$2,539 on a \$200,000 loan.

“New mortgage regulations are the biggest reasons why closing costs went up over the past year,” said Bankrate Senior Mortgage Analyst Holden Lewis.

The next highest states are Alaska (\$2,897), New York (\$2,892), Hawaii (\$2,808) and Wisconsin (\$2,706).

At the opposite end of the spectrum are Nevada (\$2,265), Tennessee (\$2,366), Missouri (\$2,387), Ohio (\$2,392) and Washington, D.C. (\$2,402).

MINUTES AND CERTIFICATION

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

The Board of Directors of the Travis County Housing Finance Corporation convened in a special meeting on September 2, 2014, at its regular meeting place, and roll was called of the duly constituted officers and members of said Board of Directors, to-wit:

- Samuel T. Biscoe, President
- Bruce Todd, Vice President
- Gerald Daugherty, Treasurer
- Margaret Gomez, Secretary
- Ron Davis, Assistant Secretary

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "Resolution") bearing the following caption was introduced:

Resolution Authorizing the Creation of a 2014 Turnkey Mortgage Origination Program; Approving the Form and Substance of a GNMA Purchase Agreement, a GNMA Custody Agreement, a Lender Agreement and a DPA Grant Escrow Agreement; Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry out a Mortgage Origination Program; and Containing Other Provisions Relating to the Subject

The Resolution, a full, true and correct copy of which is attached hereto, was read and reviewed by the Board of Directors.

Upon motion duly made and seconded, the Resolution was finally passed and adopted by the following vote:

___ AYES ___ NOES ___ ABSTENTIONS

The President then declared the Resolution passed and signed and approved the same in the presence of the Board of Directors.

MINUTES APPROVED AND CERTIFIED TO BE TRUE AND CORRECT and to reflect accurately the duly constituted officers and members of the Board of Directors of the Corporation, and the attached and following copy of such Resolution is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of the Corporation.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CORPORATION, this September 2, 2014.

Secretary, Travis County Housing Finance Corporation

(CORPORATION SEAL)

TRAVIS COUNTY HOUSING FINANCE CORPORATION

Resolution Authorizing the Creation of a 2014 Turnkey Mortgage Origination Program; Approving the Form and Substance of a GNMA Purchase Agreement, a GNMA Custody Agreement, a Lender Agreement and a DPA Grant Escrow Agreement; Making Certain Findings and Determinations; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry out a Mortgage Origination Program; and Containing Other Provisions Relating to the Subject

WHEREAS, the Travis County Housing Finance Corporation (the "Issuer") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Act authorizes the Issuer to make and acquire, and to enter into advance commitments to make and acquire, home mortgage loans (or participations therein) to persons of low and moderate income for homes within Travis County, Texas (the "Governmental Unit"); and

WHEREAS, the Issuer has determined that there exists within the Governmental Unit a shortage of decent, safe and sanitary housing for persons and families of low and moderate income at prices or rentals they can afford; that there further exists within the Governmental Unit a shortage of home mortgage loan funds at affordable interest rates; and that such shortages are neither transitory nor self-curing; and

WHEREAS, the Board of Directors of the Issuer has determined to adopt and implement a 2014 Turnkey Mortgage Origination Program (the "Program") to assist persons of low, and moderate income within the Governmental Unit to afford the costs of acquiring and owning decent, safe and sanitary housing; and

WHEREAS, in order to carry out the Program, (a) the Issuer and Raymond James & Associates (the "Purchaser") propose to enter into a GNMA Purchase Agreement dated as of October 1, 2014 (the "Purchase Agreement") pursuant to which the Purchaser will acquire Government National Mortgage Association mortgage-backed certificates (the "GNMA Certificates"), backed by certain qualified home mortgage loans made to eligible borrowers (the "Mortgage Loans"); (b) Housing and Development Services, Inc. dba eHousingPlus ("EHousing") has agreed to administer the Program and perform certain other duties in connection with the Program pursuant to the terms of a Program Administration Agreement between the Issuer and eHousing dated as of October 1, 2014 (the "Program Administration Agreement"); (c) U.S. Bank National Association (the "Servicer") has agreement to act as Servicer for the Program pursuant to a Servicing Agreement between the Issuer and the Servicer dated as of October 1, 2014 (the "Servicing Agreement") (d) certain lenders operating in Travis County, Texas have agreed to originate and sell the Mortgage Loans pursuant to the terms of a Lender Agreement among the Issuer and such lenders dated as of October 1, 2014 (the "Lender Agreement"); (e) BOKF, NA dba Bank of Texas ("BOKF") has agreed to act in the capacity of

Custodian pursuant to that certain GNMA Custody Agreement between the Issuer and BOKF dated as of October 1, 2014 (the "Custody Agreement") and (f) BOKF has agreed to act in the capacity of escrow agent to hold and disburse certain down payment assistance funds on behalf of the Issuer pursuant to the terms of that certain DPA Grant Escrow Agreement between Issuer and BOKF dated as of October 1, 2014 (the "Escrow Agreement"); and

WHEREAS, the Program will provide down payment assistance to the mortgagors; and

WHEREAS, the Issuer believes that the down payment assistance feature will make the Program attractive to potential mortgagors; and

WHEREAS, there have been presented to the Issuer and its advisors proposed forms of each of the following and all of which comprise a part of this Resolution:

1. the Purchase Agreement;
2. the Program Administration Agreement;
3. the Servicing Agreement;
4. the Lender Agreement;
5. the Custody Agreement; and
6. the Escrow Agreement.

WHEREAS, the Issuer finds the form and substance of the above-listed documents (hereinafter, collectively the "Program Documents") to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the establishment of the Program the execution of such documents and the taking of such other actions as may be necessary and appropriate in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY HOUSING FINANCE CORPORATION:

Section 1: Approval of Program. That the Issuer hereby expresses its intent to implement the Program, as described more fully in the Program Documents.

Section 2: Approval, Execution and Delivery of the Program Documents. That the Program Documents in substantially the form and substance of the Program Documents presented to the Board of Directors at the meeting at which this Resolution was considered, with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon the advice of counsel to the Issuer), as evidenced by the execution of such Program Documents by said President or Vice President, is hereby approved and that the proper officers of the Issuer are each hereby authorized and directed to execute, attest and deliver the Program Documents to the appropriate parties.

Section 3: Execution and Delivery of Other Documents. That the officers of the Issuer are each hereby authorized to consent to, accept, execute, attest and affix the Issuer's seal to such other agreements, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the Program.

Section 4: Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the President, Vice President, Secretary and any Assistant Secretary of the Issuer are each hereby authorized to make or approve such revisions in the form of the Program Documents as, in the opinion of counsel to the Issuer, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the Program.

Section 5: Determination of Moderate Income. The Board has heretofore determined and hereby confirms, in accordance with the Act, for purposes of the Program, until revised by the Board of Directors of the Issuer, that the maximum amount constituting moderate income shall be \$ _____.

Section 6: Delegation to President and Corporation Manager. The President of the Issuer is hereby designated to approve the final terms of the Program. The President, Corporation Manager and Assistant Manager are each individually authorized to make decisions and take actions on behalf of the Corporation in order to set mortgage rates for loans made under the Program and take other actions in order to operate the Program.

Section 7: Ratification of Certain Prior Actions. That all prior actions taken by or on behalf of the Issuer in connection with the Program, are hereby authorized, ratified, confirmed and approved.

Section 8: Purposes of Resolution. That the Board of Directors of the Issuer has expressly determined and hereby confirms that the implementation of the Program accomplishes a valid public purpose of the Issuer by assisting persons of low and moderate income in the Governmental Unit to obtain decent, safe and sanitary housing, thereby helping to eliminate slums and blighted areas, to relieve unemployment and depressed economic conditions in the home construction industry, to expand the tax base of the State of Texas, the Governmental Unit and other political subdivisions, and to reduce public expenditure for crime preventions and control, public health, welfare and safety and for other valid public purposes.

Section 9: Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Remainder of page intentionally left blank]

PASSED, APPROVED AND EFFECTIVE this September 2, 2014.

TRAVIS COUNTY HOUSING FINANCE
CORPORATION

President

ATTEST:

Secretary

(Seal)

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM
LENDER AGREEMENT**

THIS LENDER AGREEMENT (this “Agreement”) is entered into as of October 1, 2014, by and between the **TRAVIS COUNTY HOUSING FINANCE CORPORATION** (the “Corporation”) and the lending institution executing this Agreement (the “Lender”) in connection with the Corporation’s 2014 Turnkey Mortgage Origination Program (the “Program”).

WITNESSETH:

WHEREAS, the Corporation expects to make funds available, but solely from funds available under the Program, to enable the Corporation to finance certain qualified mortgage loans (the “Mortgage Loans”) through the acquisition of fully-modified mortgage-backed securities issued on behalf of and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the “GNMA Certificates”); and

WHEREAS, the Lender wishes to participate in the Program and has agreed to make the Mortgage Loans to qualified borrowers pursuant to the Administrator’s Guidelines and the Program Administration Agreement (as hereinafter defined);

NOW, THEREFORE, in consideration of the undertakings, terms and conditions set forth herein, the parties mutually agree as follows:

Section 1. Covenant To Originate and Sell Mortgage Loans. The Lender hereby acknowledges its receipt of the Administrator’s Guidelines established in connection with the Program and the Program Administration Agreement (the “Program Administration Agreement”) between the Corporation and Housing and Development Services, Inc. d/b/a eHousingPlus. The Lender hereby covenants and agrees to originate mortgage loans in accordance with the Administrator’s Guidelines and the Program Administration Agreement, including (without limitation) as of the date hereof the following requirements therein: (a) minimum 640 borrower FICO score; (b) 15/45/70 day mortgage loan deadlines; and (c) \$_____ (two or fewer) / \$_____ (three or more) borrower annual income limits. The Lender further understands and acknowledges that there are [no home purchase price limits], no first-time homebuyer requirements, and no federal recapture tax associated with the Program. The Lender further agrees to sell such Mortgage Loans to U.S. Bank National Association, as master servicer (the “Master Servicer”), pursuant to the terms of the Program.

Section 2. Program Termination/Extension. This Agreement and the Lender’s ability to participate in the Program shall terminate on December 31, 2015 unless extended by the parties hereto, which extension may conditions established by the Corporation in its sole discretion.

Section 3. Down Payment Assistance. The Corporation or its agent shall directly provide a down payment assistance grant to the mortgagor at Mortgage Loan closing in an amount equal to 5.00% of the original principal amount of the Mortgage Loan (the “DPA Grant”) to eligible borrowers. Such DPA Grant shall be applied to the down payment on a Mortgage Loan and/or to closing costs. The DPA Grant is a grant and is not repayable by the borrower.

To the extent the DPA Grant is advanced by the Corporation on Mortgage Loans that do not close, are not purchased by the Master Servicer or are to be repurchased by the Lender prior to being pooled into a GNMA Certificate, the Lender hereby agrees to reimburse the Corporation with respect to such DPA Grant so advanced.

Section 4. Findings of the Corporation. In connection with the implementation of the Program, the Corporation finds that:

(a) there exists a shortage of decent, safe and sanitary housing at prices which eligible families can afford within Travis County, Texas and the surrounding counties;

(b) the Program will improve the quality of decent, safe and sanitary housing for eligible families;

(c) the residential housing assistance provided pursuant to the Program will provide a public benefit;

(d) the estimates of revenues received by the Corporation pursuant to the Program, together with all other subsidies, grants or other financial assistance received in connection with the Program, are sufficient to pay the costs associated with the Program; and

(e) for purposes of the Program, the term "low income" initially shall mean families of one or two persons earning \$____ or less annually and families of three or more persons earning \$_____ or less annually.

Section 5. Amendment. This Agreement shall not be amended or otherwise modified except with the written consent of the parties hereto.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles.

Section 7. Severability. If one or more provisions of this Agreement, or the applicability of any such provisions for any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

Section 8. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Corporation and the Lender have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

CORPORATION:

TRAVIS COUNTY HOUSING FINANCE CORPORATION

By: _____
Samuel T. Biscoe, President

LENDER:

[NAME OF LENDER]

By _____
Name _____
Title _____

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM
DPA GRANT ESCROW AGREEMENT**

THIS DPA GRANT ESCROW AGREEMENT (this “Agreement”), dated as of October 1, 2014, is made by and between the **TRAVIS COUNTY HOUSING FINANCE CORPORATION** (the “Corporation”) and **BOKF, NA dba Bank of Texas**, as escrow agent (the “Bank” or “Escrow Agent”), in connection with down payment and closing cost assistance for the Corporation’s 2014 Turnkey Mortgage Origination Program (the “Program”).

WITNESSETH:

WHEREAS, the Corporation desires to engage the services of the Bank to act as Escrow Agent in connection with the down payment and closing cost assistance directly provided from the Corporation for the Program and other costs associated with the Program; and

WHEREAS, the Bank is willing to act as Escrow Agent upon the terms and conditions set forth herein; and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings set forth in the GNMA Custody Agreement, dated as of October 1, 2014 (the “Custody Agreement”), by and between the Corporation and BOKF, NA dba Bank of Texas, as custodian thereunder;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Services To Be Provided by the Escrow Agent. The Escrow Agent shall:

(a) open, maintain and hold a fund in the name of the Corporation (the “Escrow Fund”) where it will hold all cash, cash equivalents and securities deposited with, or otherwise delivered to, the Escrow Agent, and all interest, dividend, investment income, cash and other proceeds from time to time received in respect of any or all of the foregoing. Within the Escrow Fund, the Escrow Agent shall establish the “DPA Account” and the “Expense Account” and such other accounts as directed by the Corporation. The initial deposit from the Corporation shall be \$250,000 in cash and [\$_____ in GNMA securities], as set for in the Closing Instructions from the Corporation to the Escrow Agent relating to the Program dated as of October __, 2014. Of such amount in cash, \$200,000 shall initially be deposited to the DPA Account and the remaining \$50,000 shall initially be deposited to the Expense Account. The \$_____ in GNMA securities shall be retained in the DPA Account. The Corporation may make additional deposits to the Escrow Fund in its sole discretion upon notice to the Escrow Agent, specifying the accounts of the Escrow Fund into which such deposit is to be made, no less than one day in advance of such deposit;

(b) invest all cash, if any, held in the Escrow Fund as directed by the Corporation in writing. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this

Agreement. The Escrow Agent shall be authorized to make or dispose of any investment upon the written direction of the Corporation. The Corporation acknowledges that the Escrow Agent is not providing investment supervision, recommendations or advice to the Corporation;

(c) disburse from the DPA Account those monies requisitioned by each lending institution participating in the Program as specified in writing by the Corporation from time to time (each a “Lender” or collectively, the “Lenders”) upon (i) receipt of the completed and executed DPA Grant Requisition attached hereto as Exhibit A (the “Requisition”); and (ii) receipt of an email confirmation by Housing and Development Services, Inc. d/b/a eHousingPlus (the “Administrator”) by the Corporation that the Mortgage Loan number and amount specified in the Requisition are correct. The amount of such disbursement shall be equal to 5% of the initial principal balance of the Mortgage Loan, and disbursed as specified in the Requisition (the “DPA Grant”) using the wire instructions provided in the Requisition. The Escrow Agent agrees to act on behalf of the Corporation in connection with its disbursement of the DPA Grant directly to each Mortgagor under the Program as requisitioned by the respective Lender and confirmed by the Administrator;

(d) disburse from the Expense Account those monies to be used for Program expenses, including, but not limited to those fees of counsel and financial advisor to the Corporation, Servicer, and the Escrow Agent, at the written request of the Corporation, specifying the payee, amount and payment instructions therefor. The Escrow Agent agrees to act on behalf of the Corporation in connection with its disbursement of Program expenses directly to the payee therefor as specified in this subsection; and

(e) disburse from the Escrow Fund any monies to replenish the Corporation’s funds and accounts on December 31 of any year at the written direction of the Corporation received by the Escrow Agent no later than two business days prior to December 31 of such year.

Section 2. Powers of the Escrow Agent. The Escrow Agent is authorized and empowered to:

(a) hold assets in the Corporation’s name;

(b) employ agents other than its employees and delegate to them such ministerial and other nondiscretionary duties as it sees fit and to rely upon information furnished by such agents; and

(c) make, execute, acknowledge and deliver any and all documents of transfer and conveyance and other instruments that may be necessary or appropriate to carry out its duties and powers hereunder.

Section 3. Obligations of the Corporation. The Corporation shall:

(a) initially deposit with the Escrow Agent the amounts set forth in Section 1(a) hereof; and

(b) make additional deposits to the DPA Account as may be required from time to time under the Program depending upon the volume and timing of Requisitions. It is anticipated that regular amounts will be re-deposited into the Escrow Fund pursuant to the terms of the GNMA Custody Agreement in connection with the regular purchase of GNMA Certificates under the Program, and the Corporation may direct the Escrow Agent as to which account such deposits are to be made.

Section 4. Reports.

(a) The Escrow Agent shall furnish to the Corporation a monthly statement of the Escrow Fund reflecting all account activity during the month, and an inventory of assets including their market value as of month end. The Escrow Agent will furnish such other reports as the Corporation may reasonably request, including reports to the Corporation's accountants or examiners, but no more frequently than monthly.

(b) The Corporation acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions relating to the funds held pursuant to this Agreement, the Corporation waives receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports.

Section 5. Fees. The Escrow Agent shall receive compensation from the Corporation as set forth in Exhibit B attached to this Agreement, as may be amended from time to time by the parties. The Escrow Agent shall also be reimbursed by the Corporation for its reasonable out-of-pocket expenses during the performance of the Escrow Agent's duties under this Agreement. The Escrow Agent is authorized and permitted to set off, recoup and/or otherwise deduct any unpaid fees, and/or non-reimbursed expenses from cash and other assets on deposit in the Escrow Fund if not paid by the Corporation within 30 days of the due date specified in the invoice submitted to the Corporation by the Escrow Agent.

Section 6. Authorized Persons. The Corporation's president, manager or assistant or such other person as otherwise specified in writing by the Corporation is authorized for the purpose of transmitting instructions to the Escrow Agent concerning the assets in the Escrow Fund.

Section 7. Amendment and Termination. This Agreement may be amended by written agreement of the Corporation and the Escrow Agent, at any time, executed by an authorized representative of the Escrow Agent and the Corporation. This Agreement shall continue in effect until terminated by either party upon 30 days' prior written notice to the other party. Upon termination, all cash and other assets held in the Escrow Fund shall be delivered by the Escrow Agent to the Corporation or to any other person in accordance with the Corporation's written instruction. Any outstanding and unpaid fees and expenses owed to the Escrow Agent may be deducted by the Escrow Agent from the cash and other assets held in the Escrow Fund prior to delivery to the Corporation or as the Corporation directs.

Section 8. Notices. All notices, instructions, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if delivered personally to the party to whom notice is to be given; (b) on the day of transmission if sent by facsimile transmission to the facsimile number given below, and written confirmation of receipt is obtained promptly after completion of transmission; (c) on the day after delivery via Federal Express or similar overnight courier service or the Express Mail service maintained by the United States Postal Service; or (d) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed, return receipt requested, to the party as follows:

Notices to the Corporation shall be directed and mailed as follows:

Travis County Housing Finance Corporation
Attn: Corporations Manager
700 Lavaca, Room 1560
Austin, Texas 78701
Telephone: (512) 854-9116
Facsimile: (512) 854-4210
Email: Andrea.Shields@co.travis.tx.us
cc: karen.thigpen@co.travis.tx.us

with copies to:

William C. Blount
8310 Capital of Texas Highway North, Suite 490
Austin, Texas 78731
Telephone: (512) 807-2454
Facsimile: (512) 474-1901
Email: blount@namanhowell.com

Notices to the Escrow Agent shall be directed and mailed as follows:

BOKF, NA dba Bank of Texas
801 Cherry Street, Suite 3325
Unit 27
Fort Worth, Texas 76102
Facsimile: (817) 581-8913
Attention: Pamela M. Black
Email: pblack@bankoftexas.com

Any party may change its address for purposes of the paragraph by giving the other parties written notice of the new address in the manner set forth above.

Section 9. Inspection Privileges. The books, records, documents, accounting procedures and practices of the Escrow Agent relevant to this Agreement are subject to examination by the

Corporation, or its designated independent public accountants or consultants, during normal business hours and at the requesting party's expense.

Section 10. Regarding the Escrow Agent.

(a) The Escrow Agent shall not be liable for any action taken or not taken under this Agreement so long as it shall have acted without negligence or willful misconduct.

(b) The rights and obligations of the Corporation may not be assigned or delegated to any other person without the written consent of the Escrow Agent. Subject to the foregoing, the terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No other persons shall have any rights under this Agreement.

(c) The Escrow Agent is not a party to, is not bound by, and has no duty to inquire into any agreement other than this Agreement. The Escrow Agent shall have no implied duties, fiduciary or otherwise, beyond the express duties set forth herein.

(d) The Escrow Agent shall not be required to expend or risk its own funds or otherwise incur financial liability (other than expenses or liabilities otherwise required to be incurred by the express terms of this Agreement) in the performance of its duties hereunder if it believes that repayment of such funds, or adequate indemnity, is not assured to it.

(e) The Escrow Agent shall have the right, but not the obligation, to consult with counsel or other such professionals of the Escrow Agent's choice and shall not be liable for action taken or omitted to be taken by the Escrow Agent in accordance with the advice or counsel of such professionals absent negligence or willful misconduct.

(f) Any authority or association into which the Escrow Agent is converted or merged, or with which it is consolidated, or to which it sells or transfers all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any authority or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor to the Escrow Agent under this Agreement and shall have and succeed to all of the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any other act.

(g) The Escrow Agent may resign as such following the giving of 30 calendar days' prior written notice to the Corporation. The Corporation may remove the Escrow Agent upon 30 calendar days' prior written notice to the Escrow Agent. The duties of the Escrow Agent shall terminate 30 days after recipient's receipt of such notice (or as of such earlier date as may be mutually agreed by the Escrow Agent and the Corporation). The Escrow Agent shall deliver the cash and other assets then in the Escrow Fund to a successor Escrow Agent in accordance with the Corporation's written direction. If the Corporation fails to appoint a successor prior to the expiration of a 30 calendar day notice period, the Escrow Agent may, in its sole discretion, deliver the cash and other assets in the Escrow

Fund to the Corporation, or may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent.

(h) The Escrow Agent may assume the genuineness of, and may rely on, any written notice or communication from any person, without further verification, that the Escrow Agent believes is from the proper party and shall be protected in doing so by the Corporation.

(i) The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(j) In the event that the Escrow Fund, or any cash or assets contained therein, shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree, shall be made or entered by any court order affecting the property deposited or held under this Agreement, the Escrow Agent is hereby authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to the Corporation or any other person, firm or authority, by reason of such compliance notwithstanding that such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 11. Facsimile or Email Transmissions.

(a) The Escrow Agent is authorized to accept, assume the genuineness of, and may rely on, any notice delivered through facsimile or email transmission by authorized representatives, including duly appointed third parties.

(b) The Escrow Agent is authorized to act on written instructions conveyed by facsimile or email transmission, notwithstanding the fact that such instructions do not bear an original authorized signature, provided the instructions acted upon appear to be signed by a person(s) entitled to give binding instructions to the Escrow Agent. Specifically, with respect to the email confirmation of a Requisition by the Administrator contemplated by Section 1(c) hereof and Exhibit B hereto, the Escrow Agent is expressly entitled to rely exclusively and conclusively on an email received from fundsrequest@ehousingplus.com.

(c) The Corporation understands the risks associated with communicating time sensitive matters, such as trade directions, by facsimile or email and acknowledges that, if it elects to do so, the Escrow Agent will act within a reasonable time of receipt of the

facsimile or email. The Corporation further acknowledges that information or instructions provided by facsimile or email may be less confidential than information transmitted by other methods.

Section 12. Tax Matters.

(a) ***Reporting of Income.*** The Escrow Agent shall report to the Internal Revenue Service (the “IRS”), as of each calendar year-end, and to the Corporation, all income earned from the investment of any sum held in the Escrow Fund, as and to the extent required under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”). The Corporation shall furnish the Escrow Agent with a completed Form W-8 or Form W-9, as applicable.

(b) ***Preparations and Filing of Tax Returns.*** The Corporation assumes the obligation to prepare and file, to the extent applicable, any and all income or other tax returns applicable to the Escrow Fund with the IRS and any state or local taxing authorities.

(c) ***Payment of Taxes.*** Any taxes payable on income earned from the investment of any sums held in the Escrow Fund shall be paid by the Corporation, whether or not the income was distributed by the Escrow Agent during any particular year, to the extent required under the provisions of the Code or otherwise.

Section 13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

Section 14. Governing Law. This Agreement and all transactions hereunder shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of Colorado.

Section 15. Entire Agreement. This Agreement is the final integration of the agreement of the parties with respect to the matters covered by it and supersedes any prior understanding or agreement, oral or written, with respect thereto.

Section 16. Severability. The invalidity of any portion of this Agreement shall not affect the validity of the remainder hereof.

IN WITNESS WHEREOF, authorized officers of the parties have duly executed this Agreement as of the day and year first written above.

TRAVIS COUNTY HOUSING FINANCE CORPORATION

By: _____
Samuel T. Biscoe, President

BOKF, NA dba BANK OF TEXAS, as
Custodian

By _____
Pamela M. Black, Vice President

**EXHIBIT A
TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM
REQUISITION**

DPA GRANT REQUISITION

Lender Name: _____.

Lender Contact Email & Phone Number: _____

Mortgagor(s) Name(s): _____

US Bank Mortgage Loan Number (generated by eHousingPlus system): _____.

Full Principal Mortgage Loan Amount: \$_____.

Down Payment and Closing Cost Assistance (DPA Grant) Amount: \$_____ (5% of Mortgage Loan Amount, as shown in the eHousingPlus system).

Date DPA Grant is to be wired: _____.

Wire Instructions: _____

-ABA#: _____

-For: _____

Acct #: _____

Attn: _____

-REF: _____

The undersigned hereby represents that [he/she] is authorized to execute this DPA Grant Requisition on behalf of the Lender and that the above information is true and correct.

Date: _____

(Lender Name)

(Signature)

(Printed Name & Title of Authorized Signer)

Lender: Please complete, sign, scan, and email this DPA Grant Requisition to the Escrow Agent and listed below. The Mortgage Loan must receive Underwriter Certification prior to the request of 4.00% DPA Grant Funds provided by the Corporation. Please email the DPA Grant Requisition at least two business days prior to the Mortgage Loan closing to:

pblack@bankoftexas.com

with a copy to: fundsrequest@ehousingplus.com

The Administrator then will 'Reply to All' on the email "Confirmed & Authorized," after confirming the Mortgage Loan number and amount on the Administrator's website for the Program. If the Mortgage Loan closing does not occur, or if the DPA Grant funds otherwise must be returned to the Corporation, please instruct the receiving party to "DK" the wire, or have such funds returned using the following wire instructions:

For: BOKF, NA dba Bank of Texas

ABA number: _____

BNF: _____

Account number: # _____

OBI: Travis County Housing Finance Corporation 2014 Turnkey
Mortgage Origination Program

EXHIBIT B

ESCROW AGENT'S FEE SCHEDULE

Acceptance Fee and 1st Year Annual Fee **\$500**

The acceptance fee and 1st year annual fee includes review of all related documents and accepting the appointment of Escrow Agent. The fee also includes setting up the required account(s) and accounting records, document filing, and coordinating the receipt of funds/assets for deposit to the Escrow Fund. Payable in advance, with the first installment due at the time of Agreement execution.

Annual Administration Fee **\$500**

Payable annually in advance beginning with the first anniversary date of this Agreement as long as it shall remain in effect.

Per Requisition Fee **\$25**

Payable annually in arrears beginning with the first anniversary date of this Agreement, upon invoice from the Escrow Agent to the Corporation based upon the number of DPA Grant wires sent for the immediately prior one-year.

Extraordinary Expenses

For any services other than those covered by the aforementioned, a special per hour charge will be made to commensurate with the character of the service, time required and responsibility involved. Such services include but are not limited to excessive administrative time, specialized reports or audits, etc.

(i) The Custodian shall not be responsible or liable for any failure or delay in the performance of its obligation under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Custodian shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(j) In the event that the Custody Account, or any cash or assets contained therein, shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree, shall be made or entered by any court affecting the property deposited or held under this Agreement, the Custodian is hereby authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to the Corporation or any other person, firm or authority, by reason of such compliance notwithstanding that such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 13. Facsimile Transmissions.

(a) The Custodian is authorized to accept, assume the genuineness of, and may rely on, any notice delivered through facsimile transmission by authorized representatives, including duly appointed third parties.

(b) The Custodian is authorized to act on written instructions conveyed by facsimile transmission, notwithstanding the fact that such instructions do not bear an original authorized signature, provided the instructions acted upon appear to be signed by a person(s) entitled to give binding instructions to the Custodian.

(c) The Corporation understands the risks associated with communicating time sensitive matters, such as trade directions, by facsimile and acknowledges that, if it elects to do so, the Custodian will act within a reasonable time of receipt of the facsimile. The Corporation further acknowledges that information or instructions provided by facsimile may be less confidential than information transmitted by other methods.

Section 14. Tax Matters.

(a) **Reporting of Income.** The Custodian shall report to the Internal Revenue Service (the "IRS"), as of each calendar year-end, and to the Corporation, all income earned from the investment of any sum held in the Custody Account, as and to the extent required under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"). The Corporation shall furnish the Custodian with a completed Form W-8 or Form W-9, as applicable.

(b) ***Preparations and Filing of Tax Returns.*** The Corporation assumes the obligation to prepare and file, to the extent applicable, any and all income or other tax returns applicable to the Custody Account with the IRS and any state or local taxing authorities.

(c) ***Payment of Taxes.*** Any taxes payable on income earned from the investment of any sums held in the Custody Account shall be paid by the Corporation, whether or not the income was distributed by the Custodian during any particular year, to the extent required under the provisions of the Code or otherwise.

Section 15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

Section 16. Governing Law. This Agreement and all transactions hereunder shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of Colorado.

Section 17. Entire Agreement. This Agreement is the final integration of the agreement of the parties with respect to the matters covered by it and supersedes any prior understanding or agreement, oral or written, with respect thereto.

Section 18. Severability. The invalidity of any portion of this Agreement shall not affect the validity of the remainder hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, authorized officers of the parties have duly executed this Agreement as of the day and year first written above.

TRAVIS COUNTY HOUSING FINANCE CORPORATION

By: _____
Samuel T. Biscoe, President

BOKF, NA dba BANK OF TEXAS, as
Custodian

By _____
Pamela M. Black, Vice President

[Signature Page to GNMA Custody Agreement]

EXHIBIT A

**TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM**

WIRE INSTRUCTIONS

A. NOTICES OF GNMA CERTIFICATE DELIVERIES FROM U.S. BANK, AS CUSTODIAN

U.S. Bank, National Association (“U.S. Bank”), as Custodian, will provide notice of GNMA Certificate deliveries to:

Andrea.Shields@co.travis.tx.us
karen.thigpen@co.travis.tx.us
mark.obrien@raymondjames.com
robert.coleman@raymondjames.com
stacy.houston@raymondjames.com
chris.spelbring@raymondjames.com
craig.willingham@raymondjames.com

**B. TRANSFER OF GNMA CERTIFICATE PURCHASE PRICE
(RAYMOND JAMES TO BOKF, NA DBA BANK OF TEXAS, AS CUSTODIAN)**

Raymond James & Associates, Inc., will transfer the purchase price for GNMA Certificate to the following account:

To: BOKF, NA dba Bank of Texas
ABA#:
Account#:
BNF:
Attn: Ref: Travis County HFC Custody Account
Account#

**C. PURCHASE OF GNMA CERTIFICATES BY BOKF, NA DBA BANK OF TEXAS,
AS CUSTODIAN (ON BEHALF OF THE CORPORATION) FROM U.S. BANK
(DVP BASIS)**

BOKF, NA dba Bank of Texas, as Custodian (on behalf of the Corporation) will purchase the GNMA Certificates from U.S. Bank, as Servicer/Administrator, in a delivery versus payment (“DVP”) transaction. The GNMA Certificates will be delivered by U.S. Bank via Fedwire transaction to the following BOKF, NA dba Bank of Texas account:

ABA#:
SEI#:
REF: Travis County HFC Custody Account

D. DELIVERY OF GNMA CERTIFICATES TO RAYMOND JAMES (FREE DELIVERY)

BOKF, NA dba Bank of Texas, as Custodian, will deliver the GNMA Certificates to Raymond James & Associates, Inc., on a free delivery basis pursuant to the following instructions:

ABA# 021000021
JPMCHASE NYC/RAYMOND JAMES
Account Name: RAYMOND JAMES METRO MORTGAGE ASSISTANCE
PLUS PROGRAM
Account Number:

E. NET CUSTODY ACCOUNT BALANCE TO THE CORPORATION

BOKF, NA dba Bank of Texas, as Custodian, will transfer any balance in the Travis County HFC Custody Account to BOKF, NA dba Bank of Texas, in its capacity as escrow agent (the "Escrow Agent") for benefit of the Corporation, pursuant to the terms of the DPA Grant Escrow Agreement, dated as of October 1, 2014, by and between the Corporation and the Escrow Agent.

EXHIBIT B
TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM

CUSTODIAN'S FEE SCHEDULE

Acceptance Fee and 1st Year Annual Fee **\$1,000**

The acceptance fee and 1st year annual fee includes review of all related documents and accepting the appointment of Custodian. The fee also includes setting up the required account(s) and accounting records, document filing, and coordinating the receipt of funds/assets for deposit to the Account. Payable in advance, with the first installment due at the time of Agreement execution.

Annual Administration Fee **\$1,000**

Payable annually in advance beginning with the first anniversary date of this Agreement as long as it shall remain in effect.

Transaction Charge for each GNMA Certificate Purchased **\$100**

The Transaction Charge includes:

- receipt of the Purchase Price wire from Raymond James & Associates, Inc.
- purchase of the GNMA Certificate by BOKF, NA dba Bank of Texas, as Custodian, from U.S. Bank, as Servicer/Administrator
- delivery of the GNMA Certificate to Raymond James & Associates, Inc.
- wires to the Escrow Agent, on behalf of the Corporation, of net Custody Account balance, as set forth in Section 1(c) of the Agreement, pursuant to the DPA Grant Escrow Agreement, as set forth in Exhibit A (Section E) hereto, upon each GNMA Certificate purchase hereunder

Such fee shall be payable annually in arrears beginning with the first anniversary date of this Agreement as long as it shall remain in effect. Such fee shall be calculated based on the number of separate GNMA Certificate pools delivered and sold during the prior year.

Extraordinary Expenses

For any services other than those covered by the aforementioned, a special per hour charge will be made to commensurate with the character of the service, time required and responsibility involved. Such services include but are not limited to excessive administrative time, specialized reports or audits, etc.

BOKF, NA dba Bank of Texas's fee quote is based on the following assumptions:

- Number of accounts to be established: One
- Term: Ongoing
- Funds will not be invested at BOKF, NA dba Bank of Texas

EXHIBIT C
TRAVIS COUNTY HOUSING FINANCE CORPORATION
2014 TURNKEY MORTGAGE ORIGINATION PROGRAM

WIRE TRANSFER AUTHORIZATION FOR CALL BACK VERIFICATION

Listed below are the staff members of the Corporation authorized to act pursuant to this Agreement and to provide fed wire instructions to BOKF, NA dba Bank of Texas, as Custodian, in connection with this Agreement.

The contacts for call back verification of such fed wire instructions and related questions are

Name	Title	Telephone Number	Signature
1.Andrea Shields	Corporation Manager	(512) 854-9116	_____
2.Karen Thigpen	Corporation Assistant Manager	(512) 854-4743	_____



TRAVIS COUNTY HOUSING FINANCE CORPORATION

("AUTHORITY")

AND

**HOUSING AND DEVELOPMENT SERVICES, INC. D/B/A
EHOUSINGPLUS**

("ADMINISTRATOR")

PROGRAM ADMINISTRATION AGREEMENT

Pertaining to:

[INSERT NAME OF PROGRAM]



PROGRAM ADMINISTRATION AGREEMENT

This Program Administration Agreement (the “Agreement”) is entered into as of _____, 20__ (the “Effective Date”) by and between the **TRAVIS COUNTY HOUSING FINANCE CORPORATION**, the “Authority”), located at [insert address] and **HOUSING AND DEVELOPMENT SERVICES, INC. d/b/a eHousingPlus** (the “Administrator”), a Florida corporation located at 3050 Universal Boulevard, Suite 190, Weston, Florida 33331, (together the “Parties”).

WITNESSETH

WHEREAS, the Authority is sponsoring a program (the “Program”) where, through the purchase and sale of Mortgage Backed Securities by the Authority, mortgage loans can be provided by private lenders to qualifying low-income borrowers in order to further Authority’s goal of facilitating decent, safe, and sanitary housing and housing opportunities for persons of low income; and

[insert as needed]

WHEREAS, the Authority desires the Administrator to perform certain duties as described in this Agreement; and

WHEREAS, the Administrator will, subject to the terms hereof, administer the Program of the Authority, on behalf of the Authority.

NOW, THEREFORE, in consideration of the representations, warranties and mutual agreements herein contained, the Administrator and the Authority agree as follows:

1. DEFINITIONS

Unless otherwise indicated, all words and terms defined in this Agreement, as of the Effective Date hereof, are used herein as so defined.

“Acquisition Cost Limit” means Authority limits on the maximum purchase price of a home, by area.

“Administration Fee” or “Fee” means the fee earned by the Administrator for services rendered hereunder as provided in Addendum A.

“Administrator” or “Program Administrator” means eHousingPlus.

“Administrator’s Guidelines” means the manual prepared by the Administrator addressing the compliance requirements and processes to be utilized by Lenders.

“Data Analysis and Reporting Module” or “D.A.R.M.” means the Administrator’s proprietary product which allows authorized users to access Program information via the following tools: dashboards, eReports, analysis pivots and data downloads.

“FHA” means the Federal Housing Administration of the U.S. Department of Housing and Urban Development, or any successor thereto.

“FHA/RD/VA Loans” means Mortgage Loans which are FHA Insured, Rural Development (“RD”) Guaranteed or the US Department of Veterans Affairs (“VA”) Guaranteed.

“FHA Insurance” means FHA mortgage insurance issued under one of the following FHA Insurance programs pursuant to the National Housing Act:

FHA §203(b), Home Unsubsidized (including 223(e) declining area loans);

FHA §234(c), Condominiums;

FHA §203(b)(2), Veteran’s Status;

FHA §203(k) Rehabilitation Home Mortgage Insurance; or

such other FHA insurance programs as shall be acceptable to the Authority and the Master Servicer.

“FHA Insured” means insured under FHA Insurance.

“GNMA” means the Government National Mortgage Association, a wholly -owned government corporation of the United States within the U.S. Department of Housing and Urban Development, or any successor thereto. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. 1716 et seq.).

“GSE” means the Government Sponsored Enterprise strictly including GNMA.

“HDS” means Housing and Development Services, Inc. and its subsidiary Housing and Development Software, LLC, and eHousingPlus LLC.

“Income Limits” means the federally adjusted income limits for a borrower(s), by household size, by area

“Lender” or “Participating Lender” means a home mortgage lending institution approved by the Authority for the Program.

“Master Servicer” or “Servicer” means U.S. Bank, N.A.

“MBS” means Mortgage Backed Securities.

“Mortgage” means the written instrument creating a lien on real property to provide security for the payment of a Mortgage Loan.

“Mortgage Loan” means a first lien qualified mortgage loan originated by a Lender under the Program with respect to real property, evidenced by a Mortgage Note and secured by a Mortgage. For the purposes of this Agreement, the Mortgage Loan requirements are related to compliance with Program Guidelines.

“Mortgage Note” means the promissory note evidencing the obligation to repay a Mortgage Loan.

“Program” means the Authority’s loan program.

“Program Documents” means the Program Guidelines, program forms, the lender guidelines, and this Program Administration Agreement.

“Program Guidelines” means the Authority’s guidelines for the Program, containing information relating to specific provisions of the Program.

“System” means the web-based software system, any derivatives thereof, and all rights, owned by Housing and Development Services, Inc. and licensed to the Administrator to carry out its duties herein.

“Working Group Professionals (WGP)” mean specific professionals approved strictly by the Authority who are directly involved in the program, and who are authorized by the Authority to access on-line program information. This may include Authority, Master Servicer, Financial Advisors, Underwriters, Investment Bankers, and others.

“XML” means Extensible Markup Language or a standard file format whereby Administrator will interface information to and from the Master Servicer, and which will be required of the Master Servicer in order for Administrator to report required information.

2. ADMINISTRATOR’S REPRESENTATIONS, WARRANTIES AND COVENANTS

The Administrator represents that it is a Florida Minority Business Enterprise Corporation duly organized, validly existing and in good standing under the laws of the State of Florida, is duly qualified and in good standing to transact business in the State, and a Women’s Business Enterprise National Council (“WBENC”) certified firm, which possesses all requisite authority, power, licenses, permits and franchises to conduct any and all business contemplated by this Agreement and to execute, deliver and comply with its obligations under the terms thereof, the execution, delivery and performance of which have been duly authorized by all necessary corporate action.

The execution and delivery of this Agreement by the Administrator in the manner contemplated herein and the performance and compliance with the terms hereof by it do not require the consent or approval of any board or governmental authority, or if such consent or approval is required, it has been obtained.

With respect to its duties hereunder, the Administrator will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, the Fair Housing Act, U.S.C. Section 3601 et. seq., the regulations promulgated there under, Executive Order 11246, Equal Employment Opportunity, dated September 24, 1965 and the Fair Housing Amendments Act of 1988.

The Administrator agrees that so long as it shall continue to serve in the capacity contemplated under the terms of this Agreement, it will remain in good standing under the laws of its state of incorporation and qualified under the laws of the State to do business in the State. No provisions of this Agreement shall require the Administrator to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder.

3. RELIANCE ON DOCUMENTS

The Administrator may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Administrator by the Authority. The Administrator shall not be liable for any error of judgment made in good faith, unless the Administrator was negligent in ascertaining the pertinent facts.

The Administrator may rely on acting in good faith and shall be protected in acting or refraining from acting in good faith upon any affidavit, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Administrator shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security or other paper or document supplied by the Authority.

No information, statement or report of the Administrator furnished in writing and required hereunder delivered to Lenders or the Authority will, to the knowledge of the Administrator, contain any untrue statement of a material fact or omit a material fact necessary to make the information, statements, or report not misleading.

The Administrator and its officers, directors and principal shareholders, are not an affiliate of the Authority or any Lender or any of their respective affiliates.

4. AUTHORITY'S AND ADMINISTRATOR'S RESPONSIBILITIES

A. Authority's Responsibilities

The Authority shall manage the Program, including, without limitation, (i) determining the amount and type of funding available for the Program and the timing and uses of such funding; (ii) determining the Mortgage Loan products to be offered through the Program; (iii) setting rates, terms, loan sizes, and other product-related decisions for the Program; (iv) selecting and approving the Lenders to participate in the Program; and

(v) creating and updating the applicable documents, including the Mortgage Loan documents, notifications to Lenders, and other related documents.

B. Administrator's Responsibilities

The Administrator shall have the general responsibility for administering the Program in accordance with this Agreement on behalf of the Authority. While this Agreement is in effect, the Administrator shall be and is hereby irrevocably authorized and empowered by the Authority to execute and deliver for and on behalf of the Authority any and all instruments, documents and writings necessary or desirable to fulfill its duties and responsibilities hereunder; provided, that the consummation of the foregoing shall not be inconsistent with or prejudice the rights and interests of the Authority. The Administrator shall collaborate with the Authority regarding the Program goals and structure, and will provide the services listed herein, in its capacity as Administrator.

The Administrator shall use its best efforts, utilizing industry-approved processes and best practices to ensure file compliance in accordance with the Authority's Program parameters, as applicable.

The Administrator will track the Program allocations and shall not allow Lenders to reserve funds under the Program if there are no available proceeds. The Administrator will use its internal System functions to set up the Authority's allocations, set up and update Income Limits, Acquisition Cost Limits, and new mortgage requirements; and track and monitor its funds, pipeline, and Program constraints, where applicable.

The Administrator will create and publish to its website its Administrator's Guidelines, which will detail a step-by-step explanation of the process that Lenders will follow in order to successfully originate and deliver eligible Program loans. The Servicer will publish Mortgage Loan purchase documents on its website.

The Administrator will review information provided by the Participating Lenders including all documents and information pertaining to the eligibility of loans sufficiently to determine the eligibility of such loans, including, without limitation, a review of information, certifications and other documents regarding (i) Program requirements (ii) residence requirement; (iii) Income Limits; (iv) Acquisition Cost Limits;

The Administrator will manage Participating Lender contact groups and electronic list serves of all approved Lenders, process Lenders through the System, create Lender usernames and passwords, and grant security access to the Administrator's single family System. The Administrator will communicate with Lenders to schedule and invite them to web-conference trainings, and put them on Program distributions lists. These will be used to communicate Program Updates, in addition to those which will be posted on the Administrator's website.

The Administrator will follow its process guidelines and System features to provide the services detailed herein. Any request for changes to these processes or the System will be analyzed for feasibility and cost. The Authority will be advised accordingly.

i. Compliance Review Duties

Administrator will be provided files from each Lender after closing, which file(s) will contain all documents required in the Administrator's Guidelines. Administrator will track files, review contents for accuracy and compliance with Program Guidelines as set forth by the Authority, update System information, and note any file deficiencies which need to be cured. The Administrator will contact Lenders via its online System, e-mails, phone or other means as necessary for Lenders to correct file deficiencies as soon as possible. Ultimately the Lender is responsible for curing the deficiencies, and if not cured within a reasonable time, the Administrator will recommend file not be purchased into the Program. Administrator reserves the right to charge Lenders who continuously submit erroneous files and cause the delay of Mortgage Loans to be purchased under the Program.

The Administrator will provide the service of reviewing all submitted loan applications, with supporting Program Documents as required, and work with the Lenders to ensure eligibility guidelines are being followed.

ii. Available System Functions for Lenders

Lenders are provided secure access to the Administrator's System, whereby they can process, review and manage their loan detail. Lenders will not have access to any other company's activities or book of business. The available System functions are:

- View available funds and allocations
- Reserve Loans, including first mortgages, additional mortgages, and assistance
- Print loan confirmations once a loan is reserved, and other System reports
- Ability for Lenders to update loan information or add other data to the loan record as it moves through the pipeline
- Underwriter Certification/Commitment (Pre-Compliance) functionality that gives the Lenders' underwriter the ability to certify and update that they have personally verified information prior to closing
- A Lender pipeline that provides a detailed picture of how loans are moving through each stage in the Program (additional features are available to narrow pipeline data by various filtering criteria)
- A Program pipeline that provides a Program-level view of the loans moving through the required stages, and includes a variety of detail such as the purchase dates, pool information, CUSIP and delivery to investor data (NOTE: this information is provided contingent on Servicer interfacing data via the Administrator's XML upload tool)
- Ability to view file deficiencies/exceptions, which are items posted by the Administrator that need to be corrected, including the Master Servicer's exceptions which are imported by the administrator via an XML upload into its

System. The Lender has an easy view of items which need to be corrected, thus allowing for the Mortgage Loans to be purchased much faster.

- Access to Program and loan forms, which Lenders can easily print and reprint as needed as soon as the documents are ready to be packaged for closing
- Feature to easily allow lenders to cancel a Mortgage Loan, which immediately re-appropriates funds back to the Program
- Access to a varied selection of e-reports for Lenders to view, print or download, including loan confirmations, loan details, pipeline reports, demographics, and loan deficiencies to correct.
- Access to Program e-forms that are System-generated, reducing the level of effort Lenders need in order to print specific Program forms. The system uses the data entered by the Lender, plus Program information set up by the Administrator to generate forms.
- Access to the System's data view and download tool, which Lenders may use to download key loan information related to their book of business.

iii. Additional Working Group Functionalities and Tools on the Web

Approved Working Group Professionals will have access to additional System features, in addition to some of the above features. While Lenders can only view their own book of business, the working group professionals can view the entire Program portfolio. This allows them to independently view Program and Lender performance. Available features for Working Group Professionals are:

- Access to the System's data view and download tool, a web-based module that provides the ability to download data directly from the System. This data includes over 80 fields such as rates, funds, Lenders, borrower, property and other key data related to Program activity. Specific criteria can be filtered to display more narrow data groups as needed.
- Working Group Professionals can save specific groupings of data, and re-download as many times as needed in a variety of formats.
- Access to the System's Data Analysis and Reporting Module (D.A.R.M.), a graphical analysis and dashboard module that takes data reporting and analysis to a new level. The System provides a comprehensive dashboard view of program metrics, specifically designed for the market. The analysis portion of the module provides the ability for the user to select from all key data groupings and summaries, from Program, to rate, to lender, and much more, and create multi-dimensional analysis outputs. The module gives the user the ability to save their own unique views, and download the data for reporting. Additional filtering and grouping abilities make this tool extremely powerful for Working Group Professionals.

iv. Administrator's Internal System

The Administrator's main compliance application and database reside on a secure server at secure facilities, and are not available to any user, other than the Administrator, and its designees. The System is designed to be online 24 hours a day, seven days a week, and is backed up hourly to both an on-site and off-site facility. From time to time, periodic routine maintenance may be done, requiring the System to be off-line briefly. The Administrator will take precautions to schedule such maintenance outside of business hours. The Administrator also maintains a full disaster recovery program that will enable the System to be made available within a 24-hour period in the event of a disaster.

The Administrator reserves the right to modify its system and available features as part of its on-going system improvements.

v. Reporting Tools and Forms

The Administrator will provide secure access to its Web System to the Authority, Participating Lenders, and other approved professionals, to access reporting and analysis tools which contain Program information. These include Program demographics, loan activities, Program pipeline, Program funds and other key Program indicators. Access to the System is provided via approved user i.d.'s, and may require that the user has attended training prior to being issued, as applicable.

The Administrator will incorporate standard Program forms into its web-based System for Lenders to access. These may include automated affidavits, Program Guidelines and other forms which the Lender may use to complete the required loan submittal package.

vi. Training

The Administrator will provide Program-wide group training via web-conferencing. System trainings are provided on a regular basis and dates are posted to the Administrator's website.

Program-wide trainings are scheduled on multiple dates, where all Program features and processes are explained to Participating Lenders. This will include a full training of the System features. Periodic trainings are added based on need, and the Administrator will advise the Authority of any such dates. In addition, the Administrator will provide "eHP University Training", which includes origination and programmatic information, where Lenders can review Program criteria and steps using a web-based, self-paced tool. One-on-one support is also provided by the eHousingPlus staff when Lenders are in the System and are having difficulty. Any Lender who shows continuous deficiencies or inability to understand processes will be required to attend additional trainings to ensure that they are both promoting the Program accurately and taking the necessary steps to ensure compliance with the guidelines.

vii. Customer Support

The Administrator, as part of its duties, provides on-going support to the Lenders and others who need assistance in processing Program loans. This includes assistance in determining eligibility factors such as income, total acquisition costs, system assistance, documents, and any other support Lenders require in the successful origination of these loans. Lenders will be encouraged to attend trainings in order to become better educated on eligibility factors, and how to efficiently navigate the process, including the Administrator's System. The Administrator's System also includes an on-line help, which is indexed and searchable.

The Administrator's staff is readily available to speak to Lenders during business hours. Lenders also have direct access to our staff via on-line CHAT and email features. No calls are handled by off-shore companies or call centers at any time. Periodically, staff may be working during off-hours and may respond to e-mails at that time as well. The Administrator will use its best efforts to assist Lenders in the delivery of eligible and complete loans during the origination period.

5. ADMINISTRATOR'S SYSTEM, DATABASE AND QUALITY ASSURANCE

During the term of this Agreement, and for the purpose of managing the Program, the Administrator will grant the Authority and the Working Group Professionals the right to use its Web-System via the Internet. The System consists of a proprietary web-based, multi-function, security controlled software application, owned and licensed by Housing and Development Services, Inc. The System is protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The Authority shall comply with all applicable laws regarding use of the System, including but not limited to: (i) The Authority, and all users to which it approves for access to the System, agree not to remove or alter any copyright notices on any and all copies of the System; (ii) The Authority, and all users to which it approves for access to the System, shall not distribute registered copies of the System to third parties.

All of the web areas of the System are secure using SSL / enTRUST, and data is encrypted. Users are assigned security roles based on their approved access level, i.e., originators, underwriters, etc. Users are not required to purchase any part of the System. The process may require a one-time downloading of (free) Adobe Reader to print and view reports and forms. There are no additional license costs to access the System.

The Administrator's website is www.ehousingplus.com. This website is structured to house the Authority's Program information and has easy to understand information related to the Program. The Authority can link to any of the Administrator's website areas, and vice versa, in order to provide a more seamless process for Lenders. This information will be requested from the Authority when the Program is being set up.

6. COMPENSATION OF ADMINISTRATOR; LIABILITY FOR EXPENSES.

As compensation for the performance of its duties hereunder, the Administrator is entitled to receive a fee(s) as detailed in Addendum A. Fees may be subject to an annual increase, that which will not exceed 10% annually. Any fee increases will be notified by Administrator to Authority in writing a minimum of 90 days prior to effective date.

7. INTERACTION WITH MASTER SERVICER AND OTHER WORKING GROUP MEMBERS.

Administrator will interact closely with all Working Group Professionals, especially the Master Servicer. Administrator recognizes that the role of the Administrator and Master Servicer is to work closely together in as seamless as possible a process, to ensure high Lender participation and remove unnecessary obstacles in the origination of Mortgage Loans in the Program. Administrator will therefore interact with the selected Master Servicer in providing the daily XML interface file as needed.

8. LIMITATIONS

Limitation on Liability of Directors, Officers, Employees and Agents of the Administrator

No director, officer, employee or agent of the Administrator shall be under any personal liability to the Authority, the Master Servicer, or Lender for any action taken in good faith or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment.

9. WARRANTIES AND REMEDIES

A. Performance Warranty

Administrator warrants that work performed will be performed by qualified personnel in a professional, workmanlike manner, consistent with the prevailing standards of the industry; and it will use commercially reasonable efforts to perform under this Agreement. Administrator shall not be held responsible for carrier, telecommunications, or Internet access outages.

Administrator will not be liable for unauthorized access to, or alteration, theft or destruction of the Authority's data files, programs, procedures or information through accident, fraudulent conduct, or any other method, unless such access, alteration, theft or destruction is caused as a result of the Administrator's negligence or intentional misconduct. Administrator agrees to protect said information in a manner and at a level that is widely accepted and consistent with prevailing industry standards.

Administrator shall not be held responsible for the breach of any warranty or indemnification provided by third party software providers, however, Administrator agrees it shall attempt to enforce all warranties and indemnifications provided by third

party software providers. Administrator shall not be held responsible for and does not warrant the functionality of any Authority programs or modifications not originated by Housing and Development Software, LLC.

THERE ARE NO OTHER WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THIS AGREEMENT AND THE HDS SYSTEM PROVIDED OR ANY MAINTENANCE, TECHNICAL SUPPORT OR SERVICES TO BE PROVIDED OR ANY SYSTEM ENHANCEMENTS PROVIDED INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

B. Remedies

Whenever any failure referred to in Section 9 hereof shall have happened and be continuing, the Authority may, upon the expiration of any applicable cure period, take any one (1) or more of the following remedial steps:

i. By notice in writing, the Authority may, subject to applicable State and federal law, terminate all of the Administrator's obligations under this Agreement.

ii. On or after the receipt by the Administrator of such written notice, all authority and power of the Administrator under this Agreement shall pass to and be vested in a substitute administrator. The Authority shall have the responsibility of coordinating the activities of the substitute Administrator.

iii. The Administrator agrees to cooperate with the Authority in effecting the termination of the Administrator's responsibilities hereunder, at no additional cost to the Administrator.

iv. Unless otherwise expressly provided, no remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement upon the happening of any event set forth herein shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed pertinent.

10. CONFIDENTIAL INFORMATION; NON-DISCLOSURE

The Administrator acknowledges that the data collected by its System is in part private, non-public information, and will use its best efforts to protect it at all times. An electronic backup of the data will be provided to the Authority at any point in time it is requested by the Authority. Through normal administration activities, including the tracking of file deficiencies, the Administrator may sometimes obtain non-public personal and financial information concerning the mortgagors and their Single Family Residences. Such information or non-public personal and financial information may be used by the

Administrator or by its officers, employees, agents or affiliates, only as contemplated by the Program. All such information shall only be used in a manner consistent with any applicable laws or regulations regarding disclosure of credit information and/or non-public personal and financial information. The Administrator shall not acquire and shall not permit, to its knowledge, its officers, employees, agents or affiliates, to acquire any property which secures a Mortgage Loan. Access to data will be restricted to Authority approved participants. It shall be the responsibility of the Authority to notify the Administrator of any such approvals/denials/updates as required. Authority shall provide Administrator approvals for any Working Group Professionals who will be granted access to Program data, and such individuals will be required to execute a Confidentiality Agreement. Administrator shall not be liable for any access approvals granted by the Authority.

At times, Authority may obtain confidential information of the Administrator. Confidential information includes any information, not generally known in the relevant trade or industry, obtained from the Administrator, HDS, Inc., its affiliates, or their vendors or licensors or which falls within any of the following general categories: (a) information relating to trade secrets of HDS or its vendors or licensors; (b) information relating to existing or contemplated products, services, technology, designs, processes, formulae, computer systems, computer software, reports, algorithms in research or developments of HDS or its vendors or licensors; (c) information related to the business of HDS or that of its vendors or licensors, including but not limited to business forms, handbooks, policies, documents, business plans, business processes and procedures, sales or marketing methods, methods of doing business, customer lists, customer usage and/or requirements; (d) information marked "Confidential" or "Proprietary;"

Duty to Maintain Confidentiality: Each Party, on behalf of itself, its employees, agents and representatives, agrees to keep the confidential information of the other Party in the strictest confidence, in the manner set forth below:

i. Neither Party shall copy, modify, enhance, compile or assemble (or reverse compile or disassemble), or reverse engineer confidential information or anything containing or embodying such confidential information of the other party (except in performance of services by HDS) and shall not directly or indirectly, disclose, divulge, reveal, report or transfer such confidential information of the other to any party other than as a Permitted Party. Permitted Party(ies) include any officers, directors, managers, administrators, executive directors, and employees of the Parties.

ii. Neither Party shall use any confidential information of the other or the concepts therein for its own benefits or for the benefit of a third party or for any purpose other than the purpose for which such confidential information is being disclosed, including all proprietary systems and material accessed via the Administrator's System, website, or distributed materials. Authority shall accept responsibility to maintain confidentiality on their behalf, and on behalf of those it authorizes to act on its behalf, including any Working Group Professionals designated to access such information.

Working Group Professionals may be required to execute separate confidentiality agreements.

iii. Neither Party shall remove any proprietary legends or notices, including copyright notices, appearing on or in the confidential information of the other Party.

iv. Each Party shall take appropriate action with respect to each and every person who is permitted access to any confidential information of the other to ensure that each such person complies with the confidentiality provisions hereof. Each Party shall use its best efforts to enforce the proprietary rights of the other Party and the other Party's vendors, licensors and suppliers (including but not limited to seeking injunctive relief or other reasonably necessary action) against any person who has possession of or discloses confidential information in a manner not permitted by this Agreement.

v. Any materials which are, or which relate to or derive from any confidential information of the other Party shall be kept confidential, and all such materials shall be returned to the disclosing Party (or destroyed, if return is not possible or economically feasible) upon satisfaction of the purpose for the disclosure of such information.

vi. The Parties may disclose confidential information to their attorneys in the course of representation on a matter reasonably requiring the attorneys to receive the confidential information and may also disclose confidential information to their certified public accountants and to the extent necessary to enable those accountants to prepare financial statements or reports required by law.

11. MISCELLANEOUS PROVISIONS

A. Books and Records

The Administrator agrees to keep proper books, records and accounts sufficient to comply with reporting requirements applicable to the Program. The Administrator shall make Program books and records available for audit purposes by the Authority upon thirty (30) days written request by the Authority, during normal business hours and under reasonable conditions.

B. Files

The Administrator agrees to keep Program related documents and files for a period of five (5) years. In the event that this Program Administration Agreement is terminated by either Party, the Authority shall have the option to request the loan files, and the Administrator shall ship them to the Authority at the Authority's expense. After such period, the Administrator will notify the Authority of its intent to destroy the documents, and Authority shall have, at its expense, the option to retain the records beyond the five year period.

C. Transfer of Duties

Upon termination of this Agreement or the Administrator's responsibilities under this Agreement, the Administrator shall promptly, but not later than thirty (30) days after such termination, supply loan and Program data in a MS SQL format to Authority or its successor(s). Administrator shall use its best efforts to ensure the orderly and efficient transfer of all information required by the Program to the Authority or its successor(s), or, to a new program administrator designated by the Authority. Costs associated with such transfer shall not be borne by the Administrator.

D. Amendments, Changes and Modifications

Subsequent to the commencement of the Program, this Agreement may be amended, changed, modified, altered or terminated only with the written consent of the parties hereto.

E. Governing Law

This Agreement shall be construed in accordance with the laws of the State of Florida, except where applicable federal laws, rules and regulations may apply.

F. Notices

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, or electronic mail, return receipt requested, addressed to the appropriate notice address below. The Authority or the Administrator may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

The Administrator shall exercise due diligence in reporting to the Authority and its designees any occurrences observed in the administration of the Program which in the reasonable judgment of the Administrator would be of interest to the Authority or its designees, or which would have the effect of violating the terms and conditions of the Program, as set forth in the Program Documents.

All notices shall be addressed to:

- (a) As to the Program Administrator

As to Contract, Fees and change of scope of services Notifications:

Cristina M. Gilson
Housing and Development Services, Inc. d/b/a eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, FL 33331
(954) 217-9597
(954) 217-9598 Fax
Cristina.Gilson@hdsoftware.com

As to Program, Rate and Lender Notifications:

Paloma Miranda
eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, FL 33331
954-217-0817 Ext 210
206-888-2725 Fax
Paloma.Miranda@ehousingplus.com

Patricia Denihan
eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, FL 33331
(954) 430-6072 Direct
206-888-2725 Fax
Patt@ehousing.cc

Sue Denihan
eHousingPlus
3050 Universal Boulevard, Suite 190
Weston, FL 33331
(813) 244-1097 Direct
Sue@ehousing.cc

(b) As to the Authority:

[\[insert names of Authority Notification Staff\]](#)

G. Severability

In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof

H. Further Assurances and Corrective Instruments

To the extent permitted by law, the Authority and the Administrator agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement.

I. Term of Agreement

This Agreement shall be in full force and effect for three (3) years from the Effective Date, unless it is earlier terminated. However, the Parties may opt to extend this agreement through mutual accord via an amendment.

J. No Rights Conferred on Others.

Nothing in this Agreement shall confer any right upon any person other than the Authority and the Administrator; provided that the Master Servicer may rely upon the Administrator's approval of the Compliance File in connection with the purchase of a Mortgage Loan.

K. Members of the Authority Not Liable.

This instrument is executed by the directors, officers, or executive directors of the Authority in their capacities as said directors, officers, or executive directors. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future directors, agent, counsel, officers, employee, or executive director of the Authority in his or her individual capacity, and none of the directors of the Authority, any officers, or executive directors executing this Agreement shall be liable personally with respect to this Agreement or be subject to any personal liability by the execution thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, we have set our hands as of the date first written above.

**HOUSING AND DEVELOPMENT
SERVICES, INC. d/b/a eHousingPlus**

By: _____
Cristina Miranda Gilson, its CEO

IN WITNESS WHEREOF, we have set our hands and seals as of the date first written above.

TRAVIS COUNTY HOUSING FINANCE CORPORATION

By: _____
Name: _____
Title: _____

Addendum A Fees

Fees are paid by the borrower, seller, Lender or builder of each loan. The Administration Fee is non-refundable, and submitted at the time the compliance file is sent to the Administrator. The Administrator's Fee can be paid by company check or cashier's check.

- | | |
|--|-------------------|
| • MBS/MRB Processing/Compliance Fee | \$250.00 per file |
| • Second Mortgage Programs (1) | N/A |
| • Fee to Lenders for Chronically Deficient Files | \$100.00 per file |
| • Other Services available upon request | TBD |

There are no additional fees to the Authority for the use of the System, management, training, or other services as described herein.

1. Program does not include any second mortgage products. Should any such additional loan products be added in the future, and additional rate of \$75 per loan shall apply

Addendum B

(Only to be used for additional services or changes to scope of work)

Addendum “C” Confidentiality and Non-Disclosure Agreement

This Confidentiality and Non-Disclosure Agreement (“Agreement”) is entered into as of _____, 2014, between Housing and Development Services, Inc. “HDS” d/b/a eHousingPlus, a private company having an address at 3050 Universal Boulevard, Suite 190, Weston, FL 33331 and the entities whose names and addresses are set forth below (the “System Users”).

WHEREAS, HDS is performing certain professional services (the “Services”) on behalf of the Travis County Housing Finance Corporation (the “Authority”) for the administration of the Authority’s Program; and

WHEREAS during the term of this agreement, the System Users and their representatives shall have the occasion to access the proprietary web-based HDS software, related processes, and confidential data; and

WHEREAS HDS wishes to take additional steps to ensure the protection of its proprietary and other Confidential Information (hereafter defined) which may be accessed during the normal course of business, by third parties performing work on behalf of the Authority and its Program.

NOW, THEREFORE, in consideration of the performance of the Services by eHousingPlus, and for other valuable consideration, the System Users and HDS agree to the following:

1. Definitions.

- a. “Confidential Information” is herein defined as all proprietary information, whether in tangible or intangible form, whether disclosed or obtained by the Authority or HDS or its respective affiliates orally, in writing, in graphic or machine-readable form, and whether or not it is designated as confidential, including but not limited to proprietary processes, source code, technology, computer programs, computer systems, software, designs, inventions, trade secrets, specifications, techniques, data, documentation, manuals, non-public financial information and other business information, third-party information that any party to this Agreement is obligated to keep confidential, oral statements, notes, analysis, compilations, studies, interpretations, or other documents prepared by HDS or its representatives which contain, reflect, or are based upon, in whole or in part, the information furnished to the System Users or their representatives by HDS, and any other information, tangible or intangible, that is disclosed or made available to the System Users and their representatives by HDS as a result of the performance of the Services. Per HDS information security program, confidential information shall also include, in any and all forms, any non-public personal information, consumer reports, or other information pertaining to individuals, protected by federal or State law.
- b. “State” is herein defined as the State of Florida.

2. Information Security Program.

- a. Federal and State laws require that HDS maintain an information security program to protect certain personal information related to individuals whose information is collected in HDS systems, and where HDS is the Administrator of the Authority's single family programs. This information includes the following: (1) non-public personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 *et. seq.*) and implementing regulations (16 C.F.R. Part 314); (2) consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 *et. seq.*); and (3) any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws.
 - b. If HDS grants the System Users and their representatives access to its systems and to view personal information related to individuals who are customers, business partners, vendors, or others, the System Users shall comply with and instruct any representatives acting on its behalf comply with all federal and State laws protecting such information while utilizing any HDS systems, while using HDS protected information, and while connected to any HDS system or website.
 - c. The System Users shall comply by (1) implementing and maintaining measures designed to meet the information security objectives of federal and State laws; (2) using and disclosing customer information solely for the purposes of performing this Agreement; and (3) providing HDS with the results of any internal and external audits or findings of any breach thereof.
3. Disclosure. The System Users agree that any and all Confidential Information of HDS is the sole property of HDS, is to be held in strict confidence, and shall not be disclosed by the System Users or any of their employees or agents to any third party, or for any benefit other than the fulfillment of this Agreement. The System Users further agree to notify HDS of any actual or suspected misuse, misappropriation, or unauthorized disclosure by any party of Confidential Information that may come to the System Users' attention. Disclosure of Confidential Information does not include the disclosure of information which is known or made known to the public through no act or failure to act on the part of the System Users, but only to the extent such information is known to the public through the act or failure to act on the part of the System Users or their representatives. Disclosure of Confidential Information does not include any information required by law or court order to be disclosed, but only to the extent of such required disclosure, and provided HDS is first given notice of such required disclosure and an opportunity to contest such required disclosure.
4. Use of Information. The System Users and their representatives shall use the Confidential Information of HDS and the Authority solely as it relates to the Services being performed, unless HDS/eHP provides express written consent authorizing use of such information for other purposes, and shall use such information only during the term for which HDS is to perform the Services.
5. Return of Materials. Confidential Information shall continue to remain the sole property of HDS even after the completion of the Services and shall be held in the strictest confidence

by the System Users and their representatives. Confidential Information furnished in tangible form shall not be duplicated by the System Users except as may be permitted by this Agreement. The System Users agree to return to HDS any Confidential Information in tangible form (including copies thereof) within 10 days of request by HDS or within 10 days of termination of the Services by either party, whichever is sooner, or to certify that such Confidential Information has been destroyed.

6. Modifications. No amendments or modifications to this Agreement may be made without the written agreement of HDS and the System Users.
7. Entire Agreement. This Agreement is the entire and complete understanding between the parties in regard to the covered subject matter. The certain terms of this Agreement replaces and supersedes all predecessor agreements between the parties whether written or oral.
8. Severability. If any provision or provisions of this Agreement shall be determined to be invalid or unenforceable, the validity and effect of the other provisions of this Agreement shall not be affected thereby.
9. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida.
10. Authority. Each person executing this Agreement on behalf of HDS and the System Users, respectively, warrants his or her authority to do so.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties to this Agreement have, by their duly authorized officers, executed this Agreement on the date first above written.

Housing and Development Services, Inc. d/b/a eHousingPlus

By:

Name: Cristina M. Gilson
Title: CEO

Travis County Housing Finance Corporation

[insert TCHFC authorized rep]

By: _____

Raymond James

Mark O'Brien
Managing Director
National Housing Group
214.365.5524
5956 Sherry Lane, Suite 1900
Dallas, TX 75225
Mark.OBrien@RaymondJames.com

By: _____

Robert Coleman
[insert name, address, email, phone]

By: _____

Stacy Houston
[insert name, address, email, phone]

By: _____