

NOTICE OF BEP DEED OF TRUST RELEASE PROCESS
Mississippi Home Corporation

To: BEP Recipients
From: MHC BEP Department
Date:
RE: Deed of Trust Release Process

Blight Elimination Program loans are structured as zero percent, non-amortizing loans, secured by a deed of trust on a BEP property. Loans will terminate three years after their origination date ("Expiration Date"). Prior to the Expiration Date, loans will be forgiven at a rate of 33.33% per annum as long as certain covenants and terms of the Blight Elimination Program are met.

However, if prior to the Expiration Date, a property is sold or otherwise conveyed, or is used for an unauthorized purpose, the outstanding loan balance will become immediately due and payable. The method for calculating the outstanding balance will be determined based upon the time and method of transfer. The outstanding balance may include any and all net sale proceeds and/or the full principal balance of the loan. Prior to the Expiration Date, all proceeds will be due and payable to MHC. If a property is sold or otherwise conveyed prior to the Expiration Date, the Recipient may request a release of MHC's deed of trust, which may be granted in MHC's sole and absolute discretion.

The deed of trust release process is structured as follows:

1. Recipient submits an official payoff request to MHC.
2. Payoff amount will be generated from MHC, if applicable.
3. Recipient will provide preliminary HUD-1 demonstrating whether net sales proceeds exist.
4. MHC will provide a letter:
 - a. Stating deed of trust can be released, as there are no net sales proceeds;
 - b. Stating deed of trust can be released after the receipt of check for net sales proceeds; or
 - c. Stating deed of trust cannot be released for some other reason.
5. Recipient submits executed conveyance deed with request for deed of trust release or submits executed conveyance deed, check for net sales proceeds and request for deed of trust release.
6. A release of deed of trust will be drafted and submitted to the MHC Executive Director for execution.
7. A copy of the recorded release will be returned to MHC.

An electronic copy of the deed of trust can be submitted to the Recipient for presentation at the closing on the property. The original deed of trust will not be submitted to the Recipient until after the closing on the property.