



INVITATION TO PARTICIPATE

Mississippi Home Corporation (the "Corporation") invites you to participate in the Smart Solution Program for the origination of qualifying mortgage loans (the "Mortgage Loans") to finance the acquisition of owner-occupied detached or attached single family residences within the State of Mississippi.

Mortgage Loans will be originated by lending institutions participating in the Smart Solution Program as originating lenders (the "Lenders") pursuant to the provisions of the Smart Solution Mortgage Origination Agreement delivered to the Lender with this Invitation to Participate ("Invitation"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Smart Solution Mortgage Origination Agreement. Lenders will sell all Mortgage Loans originated and closed under the Smart Solution Program to Alabama Housing Finance Authority, a public corporation and instrumentality of the State of Alabama d/b/a ServiSolutions (the "Servicer") who will aggregate the Mortgage Loans into Ginnie Mae and Freddie Mac pools and provide Ginnie Mae Certificates and Freddie Macs PCs backed by such Mortgage Loans. The servicing of all Mortgage Loans will be performed by the Servicer. Mortgage Loans purchased by the Servicer will be based on an amount equal to 2.50% of the principal amount of the Mortgage Loan in the case of FHA insured, VA and Rural Development Guaranteed Mortgage Loans, and 2.00% in the case of Conventional Freddie Mac Loans, plus in each case, accrued interest to the date of purchase.

Reservations of funds will be made to Lenders on a loan-by-loan basis under the Corporation's on-line reservation system. See "Reservation System" in the Smart Solution Program Guidelines (the "Guidelines") for a more complete description of the reservation system.

THE SMART SOLUTION MORTGAGE ORIGINATION AGREEMENT AND THE SMART SOLUTION PROGRAM GUIDELINES AND PROCEDURE MANUAL SHOULD BE READ IN THEIR ENTIRETY FOR THE DETAILS OF THE SMART SOLUTION PROGRAM. LENDERS SHOULD PAY PARTICULAR ATTENTION TO THE DESCRIPTIONS OF THE RESERVATION OF FUNDS SYSTEM, AND THE PRIOR APPROVAL PROCEDURES. UNLESS OTHERWISE PROVIDED, ALL CAPITALIZED TERMS USED HEREIN SHALL HAVE THE MEANING SPECIFIED IN THE AGREEMENT.

Included below are brief descriptions of the commitment and acceptance procedures for the Smart Solution Program. In addition, there are enclosed herewith the following:

1. ServiSolutions New Lender Package Submission Requirements; and
2. Smart Solution Program Guidelines

Each institution desiring to participate in the Smart Solution Program as a Lender must complete and submit the New Lender Package Submission Requirements along with Three executed Signature Pages signed in blue ink of the Smart Solution Mortgage Origination Agreement to the Corporation.

The material described above should be delivered to the Corporation at: Mississippi Home Corporation 735 Riverside Drive Jackson, MS 39202 Attn: Betty Temple-Putnam.

After the Corporation has accepted a Lender for participation in the Smart Solution Program, the Corporation will send to such institution a letter of Acknowledgement (the "Letter of Acknowledgement"). The Corporation will not accept requests for reservations of funds from a lender until the lender has submitted all the items described above and has been accepted as a Lender under the Smart Solution Program. The Corporation will act as administrator of the Smart Solution Program. Questions concerning the participation in the Smart Solution Program should be directed to the Corporation c/o Betty Temple-Putnam, Sr. Vice President of Single-Family Program Operations.

THE DESCRIPTION OF THE TERMS OF THE SMART SOLUTION PROGRAM HEREIN MUST BE READ TOGETHER WITH THE PROGRAM GUIDELINES AND THE AGREEMENT, ALL OF WHICH ARE SUBJECT TO FINAL APPROVAL BY THE CORPORATION. THE CORPORATION RESERVES THE RIGHT TO ACCEPT OR REJECT THE PARTICIPATION OF ANY LENDING INSTITUTION.

Thank you for your interest in our Smart Solution Program.



ORIGINATOR/LENDER QUESTIONNAIRE CERTIFICATION STATEMENT

It is understood that the Corporation may use the information contained in the New Lender Package Submission Requirements, along with other factors and information (including any data furnished by the undersigned in connection with prior programs of the Corporation), in selecting Lenders for the Smart Solution Program. We hereby authorize such use and certify to the best of our information, belief, and knowledge, that the information presented in this Originator/Lender Questionnaire is true and accurate to the extent possible given available information. We understand that if any information is materially misrepresented in this Originator/Lender Questionnaire, the Corporation shall have the right to modify or terminate our participation in its Smart Solution Program. In certain instances, estimates have been based upon reasonable assumptions using such reliable sources of data and information as are available to this institution. We further certify that as of the date hereof there is no aspect of our financial condition or operations that could reasonably be expected to adversely affect our ability to perform our obligations to the Corporation under the Smart Solution Mortgage Origination Agreement applicable to the Smart Solution Program or any prior program of the Corporation.

Signed: _____

(Print Name and Title of Authorized Officer)

Institution: _____

(Full Legal Name)

Date: _____



PROGRAM GUIDELINES

The following comprises a description of the Program Guidelines as adopted by the Corporation for its Smart Solution Program and includes definitions of certain of the terms relevant to the Smart Solution Program and referred to in the Smart Solution Mortgage Origination Agreement for the Smart Solution Program. All capitalized terms used herein, unless otherwise specified, shall have the meaning specified in the Smart Solution Mortgage Origination Agreement.

The Corporation will use its best efforts to provide funds which will be used to acquire Ginnie Mae Certificates and Freddie Mac PCs backed by Qualified Mortgage Loans and will be made available for such purpose in accordance with the procedures hereinafter described.

THE SMART SOLUTION MORTGAGE ORIGINATION AGREEMENT CONTAINS PROCEDURES AND REQUIREMENTS RELATING TO THE ORIGINATION AND SALE OF MORTGAGE LOANS AND LENDER'S REPRESENTATIONS RELATING THERETO AS WELL AS OTHER IMPORTANT PROVISIONS. THE SMART SOLUTION MORTGAGE ORIGINATION AGREEMENT AND THESE PROGRAM GUIDELINES SHOULD BE READ IN THEIR ENTIRETY.

1. Eligible Lending Institutions. To be accepted for participation as an originating lender (a "Lender") in the Smart Solution Program, lending institutions must meet the following criteria for a Lender I, II OR III Level approval:

A **Lender I** must (i) have originated single-family residential mortgage loans in the State of Mississippi OR and bordering state (such loans having been regularly made to members of the general public and not solely through affiliates to the lending institutions) and provide evidence of being licensed to do business in the State of Mississippi for at least 12 consecutive months immediately prior to the execution of this Invitation and the Smart Solution Mortgage Origination Agreement, (ii) be a FHA/VA/RD-approved mortgagee and/or an approved Freddie Mac Seller-Servicer, (iii) furnish audited financial statements evidencing \$1,000,000 net worth, (iv) maintain and furnish evidence of \$500,000 in Errors and Omissions coverage, (v) maintain and furnish evidence of Fidelity Bond coverage, (vi) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations under this Invitation and the Smart Solution Mortgage Origination Agreement, (vii) if participating in a current or previous program of the Corporation, be in good standing under such current or previous program, (viii) not be, and their parent company, if applicable, must not be on any form of "watch list" or under any program of specified supervision of the FDIC, Federal Home Loan Bank, NCUA, or other regulatory body, and (ix) be a MERS-approved lender.

A **Lender II** must (i) have originated single-family residential mortgage loans in the State of Mississippi OR a bordering state (such loans having been regularly made to members of the general public and not solely through affiliates of the lending institutions) and provide evidence of being licensed to do business in the State of Mississippi, for at least 12 consecutive months immediately prior to the execution of this Invitation and the Smart Solution Mortgage Origination Agreement, (ii) furnish audited financial statements evidencing \$1,000,000 net worth, (iii) be a FHA/VA/RD approved mortgagee and/or an approved Freddie Mac TPO lender or Seller-Servicer, (iv) maintain \$500,000 in Errors and Omissions Coverage, (v) maintain Fidelity Bond Coverage, (vi) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations under this Invitation and the Smart Solution Mortgage Origination Agreement, (vii) be a MERS-approved lender, (viii) if originating loans as a TPO Lender, have entered into a correspondent lender agreement in a form acceptable to the Corporation to originate single-family mortgage loans in the State, and (ix) if participating in a current or previous program of the Corporation, be in good standing under such current or previous program.

A **Lender III** must (i) be a banking corporation or trust company organized under the laws of the State of Mississippi, under the jurisdiction of the superintendent of banks of the State, or organized under the law of the United States and is conducting the business of making mortgage loans and taking deposits, (ii) have originated single-family residential mortgage loans in the State of Mississippi (such loans having been regularly originated and not solely through affiliates of the bank) and provide evidence of being licensed to do business in the State of Mississippi for at least 12 consecutive months immediately prior to the execution of this Invitation and the Smart Solution Mortgage Origination Agreement, (iii) have maintained an office in the State of Mississippi or in a bordering

State for origination of single-family mortgage loans 12 months prior to the execution of this Invitation and the Smart Solution Mortgage Origination Agreement, (iv) if participating in any current or previous programs of the Corporation, be in good standing under such current or previous programs, (v) not be, and their parent company, if applicable, must not be, on any form of “watch list” or under any program of specified supervision of the FDIC, Federal Home Loan Bank, NCUA, or other regulatory body, (vi) be a MERS-approved lender, (vii) furnish audited financial statements evidencing \$1,000,000 net worth, (viii) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations as a Lender III under this Invitation and the Smart Solution Mortgage Origination Agreement, and (ix) have entered into a Contract Service Agreement with a private Mortgage Insurer to provide mortgage insurance to conventional loans with a LTV of 80% or greater. All applicants must furnish the Corporation with the information requested in the Corporation’s Originator/Lender Questionnaire in sufficient detail acceptable to the Corporation. The Corporation may, in its sole discretion, waive or modify any or all the foregoing requirements.

2. Reservation System. The Corporation will accept electronic “Reservations of Funds” at *www.mshc.com* on a first-come first-served basis from Lenders requesting a reservation of the Smart Solution Program funds (a “Reservation of Funds”) for a Mortgage Loan to be made to a particular Eligible Mortgagor to finance the purchase of a particular residence. A Reservation of Funds will be made, by the Corporation for the benefit of the Lender according to the procedures described in the Smart Solution Procedures Manual.

The Corporation has adopted a paperless loan submission process. The Lender is required to complete a training course prior to requesting a reservation of funds.

3. Types of Loans. In order to qualify under the Smart Solution Program, each Mortgage Loan must be:

(a) An uninsured Freddie Mac Conventional Mortgage Loan, having an original principal balance not exceeding 80% of the lesser of the Appraised Value or Sales Price of the Residence;

(b) A Freddie Mac Conventional Mortgage Loan product with a loan-to-value exceeding 80% that is insured by a Mortgage Insurance (MI) policy issued by a Freddie Mac approved mortgage insurer; and

- Mortgage Insurance in the amount by which the Mortgage Loan principal amount exceeds 80% of the lesser of the Appraised Value or the Sales Price of the Residence; or
- If such Mortgage Loan is included in Freddie Macs “HFA Advantage” program, the loan must meet the requirements of the most current product guidelines including but not limited to required MI coverage and the requirement of first-time homebuyers to complete pre-purchase counseling as described in the Freddie Mac Selling Guide. MI coverage must be provided by a Freddie Mac-approved mortgage insurer, and the coverage plans must be split premium, monthly premium; or single premium.

(c) Insured by FHA;

(d) Guaranteed by the Veteran’s Administration; or

(e) Rural Development.

In all cases, the Mortgage Loans must be for the permanent financing of a Residence located in the State that is being purchased or constructed by or on behalf of an Eligible Mortgagor and that will be occupied as a single-family unit as described herein. Single closing construction-permanent loans are not eligible.

Second mortgages are not permitted under the Smart Solution Program at any time except for second mortgages made under the Corporation’s Smart Solution program, or other programs approved by the Corporation.

4. Eligible Loan Area. The Eligible Loan Area shall be the entire geographical limits of the State of Mississippi.

5. Mortgagor Eligibility. Subject to the funding restrictions and applicable reservations, applications for Mortgage Loans must be accepted in all the mortgage lending offices of each Lender on a first-come, first-served, fair, and equal basis and considered irrespective of race, color, religion, national origin, age, or sex. All homebuyers must complete a

Homebuyers Education course approved by the Corporation, prior to loan approval. The Lender must submit the certificate of completion with the compliance loan file.

(a) *Income Restrictions.* The Corporation has adopted a single income restriction for the Smart Solution Program. The relevant income limit for the State, as of the date hereof, is \$95,000. The Corporation may revise the income eligibility criteria from time to time.

(b) *Amount of Mortgage Loan.* The maximum amount of any Mortgage Loan may not exceed the applicable requirements of FHA, VA, Rural Development, or Freddie Mac as of the Closing Date of the Mortgage Loan.

6. Term. Each first Mortgage Loan shall be a level payment mortgage for a 30- year term. If including the Smart Solution programs 2nd mortgage, the 2nd mortgage term shall be a level payment mortgage for a 10- year term.

7. Payments. Each Mortgage Loan (1st &/or 2nd) is to provide for payments of principal and interest on a monthly basis on the first day of each month. Each monthly payment(s) shall be substantially equal over the entire term of each loan respectively, if applicable.

8. Loan Origination Guidelines. The Lender shall originate all Mortgage Loans in accordance with the loan origination, eligibility and credit underwriting standards as established by the Smart Solution Program. PRIOR TO CLOSING ANY MORTGAGE LOAN, THE LENDER MUST HAVE RECEIVED A CONDITIONAL COMMITMENT FROM THE CORPORATION TO THE EFFECT THAT THE CORPORATION HAS REVIEWED THE MORTGAGE LOAN COMPLIANCE PACKAGE AND HAS CERTIFIED IT AS A QUALIFIED MORTGAGE LOAN, ELIGIBLE FOR INCLUSION IN THE SMART SOLUTION PROGRAM. THE CONDITIONAL COMMITMENT WILL ENUMERATE A LIST OF ITEMS REQUIRED AT CLOSING. Lenders with delegated authority must review the mortgage loan and certify the loan is a qualified mortgage loan eligible for inclusion in the Smart Solution program. A Delegated Conditional Commitment issued prior to loan closing will enumerate a list of items required at closing.

9. Fees in Origination. In connection with each Mortgage Loan, a Lender may charge and collect from an Eligible Mortgagor, seller of the Residence, or a corporation-approved third party during the processing and at the closing of the Mortgage Loan to the extent permitted by law: (a) reasonable and customary charges, not in excess of the amounts which would otherwise be assessed if made in connection with a non-Smart Solution Program mortgage loan for hazard or mortgage insurance or guaranty premiums, surveys, title insurance, appraisal fees and certain other fees and charges; (b) an origination fee not in excess of one (1.00%) of the Mortgage Loan amount.

10. Qualifying Residences. Subject to certain limitations described below, all Residences financed by Mortgage Loans shall be: (a) detached single family houses; (b) attached single family houses or townhouses; (c) units which are manufactured housing insured under Section 203(b) of the National Housing Act of 1934, as amended, (d) units of an approved "condominium;" or (e) units within a "planned unit development" as all such terms are defined in the Freddie Mac Guide. All Mortgage Loans must be secured by a first lien on the fee simple title or leasehold estate to the Residence. Permitted Encumbrances are those liens, covenants, conditions and restrictions, rights of way, easements, and other matters of public record as of the date of the recording of the related Mortgage, which are permitted under the Ginnie Mae Guide or the Freddie Mace Guides and are allowed by FHA, VA, Rural Development, or Freddie Mac, as applicable. All Mortgage Loans must comply with the provisions of the Smart Solution Mortgage Origination Agreement.

11. Builder Commitments. The Smart Solution Program does not permit commitments of funds by Lenders to builders. Reservation of Funds for individual Mortgage Loans are to be requested and granted as described in paragraph (2) above.

12. New Mortgage Requirements. The proceeds of all Mortgage Loans must be used to provide owner-financing of Residences and not to acquire or replace existing mortgages. No refinancing of any outstanding indebtedness shall be permitted except with regards to Take-Out Loans. A Take-Out Loan may be made to permit an Eligible Mortgagor to finance a Residence which qualifies as a newly constructed Residence under these Program Guidelines and to retire any indebtedness thereof if (a) such indebtedness was originally incurred within twenty-four (24) months of the Closing Date, (b) the Mortgage Loan will be used as a take-out of the construction or other bridge or interim loan and (c) the term of construction, bridge or interim loan being refinanced does not, as of the Closing of the Mortgage Loan, exceed twenty-four (24) months or such other period as the Corporation may determine, in accordance with applicable law. If warranted by the circumstances, an Eligible Mortgagor shall be considered as both a Mortgagor and a seller with respect to Take-Out Loans.

13. Mortgage Documents. The closed loan package is to be submitted as stated in the Smart Solution Procedures Manual.

14. Purchase and Servicing of Mortgage Loans. The Lender will sell the Qualified Mortgage Loans which it originates to ServiSolutions. Mortgage Loans purchased by ServiSolutions and will be the Servicer of record after the sell to ServiSolutions and will be purchased based on an amount equal to 2.00% for FHA, VA, and RD loans, and an amount equal to 1.50% for Freddie Mac Conventional loans, plus in each case, accrued interest to the date of purchase. The ServiSolutions will establish a schedule for the submission and purchase of Mortgage Loans which will permit Mortgage Loans to be sold and funded twice weekly. This funding cycle may be adjusted by the ServiSolutions as lender delivery and market conditions require.

All closed Mortgage Loan packages must be delivered to the ServiSolutions in a fundable format within 10 calendar days of closing for funding purposes. Penalties will be imposed for loans received after the 10-day funding period. Loans not delivered in a fundable format within 60 days from the reservation date expiration will be charged a late delivery penalty of 25 basis points (0.25%). Loans not delivered in a fundable format more than 100 days from the date of the reservation will be purchased on a best-efforts basis at worst-case pricing and will be charged a late-delivery penalty of 25 basis points (0.25%) for having missed the initial 60-day delivery deadline. Certain fees will be deducted from the funding in accordance with Section V (E) of the Smart Solution Procedures Manual. ***Closed loans not delivered within 10 days of expiration of the reservation or closing date, whichever comes first, may not be purchased.***

- Notice must be given to the Eligible Mortgagor at the time of loan closing that the loan servicing duties will be transferred to Alabama Housing Finance Authority once the loan has been purchased from the Lender. The Authority will service all mortgage purchased loans under the name ServiSolutions located at 7460 Halcyon Pointe, Suite 200, Montgomery, AL 36117.
- **Lenders are responsible for servicing the loan until purchased by ServiSolutions to include the payment of all required escrow disbursements for each loan during the period from closing to purchase. In general, fundable closed mortgage loan packages received by the close of business on Monday of each week will be funded on Friday and those received by close of business on Thursday will be funded on Wednesday of the following week pending the Corporation's approval. See Section titled *Transfer of Servicing Rights and Benefits* for more details.**

Additional penalties will be assessed by ServiSolutions and are outlined below.

ServiSolutions Penalties Withheld from Funding. Except for those documents due within 120 days after each Closing Date, the Smart Solution Mortgage File must be delivered to Servicer not later than ten (10) days after the Closing Date of the related Smart Solution Mortgage Loan. In the event that the Servicer has not received a complete Mortgage File within such ten (10) day period, the Mortgage Lender will have until Servicer's close of business, local time, on the fortieth (40th) day after the Closing Date of the related Smart Solution Mortgage Loan to provide all documents required by this paragraph without penalty. If the Mortgage Lender does not provide all such documents by that time, the Mortgage Lender will be charged at the time of purchase a one-time, nonrefundable late delivery fee pursuant to the policy of Servicer. If the Mortgage Lender has not delivered to Servicer all documents required by this paragraph by Servicer's close of business, local time, on the seventieth (70th) day after the Closing Date of the related Smart Solution Mortgage Loan, the original Smart Solution Mortgage Notes will be returned to the Mortgage Lender, and the Smart Solution Mortgage Loan will not be purchased. The Mortgage Lender acknowledges and agrees that the amount of such fees and penalties may be amended from time to time in Servicer's sole and absolute discretion. This section does not override the Loan Lock expiration date with respect to any Smart Solution Mortgage Loan. The original recorded Mortgage for both the first, as well as any subordinate, if applicable, the Assignment of Mortgage, the title insurance policy and FHA Mortgage Insurance Certificate, USDA or VA Loan Guaranty Certificate must be submitted to the Servicer within one hundred twenty (120) days from the date of closing of the subject Smart Solution Mortgage Loan. In the event such documents are not received by the Servicer within one hundred twenty (120) days of the closing of the Smart Solution Mortgage Loan, the Mortgage Lender may be required to pay a fine to the Servicer plus out-of-pocket costs of the Servicer. The Servicer shall, upon receipt of such originals and certified copies, if applicable, file copies of same in the related Smart Solution Mortgage File and shall forward original documents to the Custodian under the Ginnie Mae Custodial Agreement for FHA Insured, USDA Guaranteed, or VA Guaranteed Mortgage Loans and to the Custodian under the Freddie Mac Custodial Agreement for Conventional Mortgage Loans.

The purchase of Smart Solution Mortgage Loans hereunder shall take place on each Purchase Date, pursuant to the

schedule of Purchase Dates set forth by the Servicer. Only Smart Solution Mortgage Loans submitted conform to the requirements of Smart Solution Mortgage Origination Agreement and the Smart Solution Procedure Manual will be purchased by the Servicer on any Purchase Date. All amounts collected by the Mortgage Lender representing escrow payments for insurance and taxes with respect to a Smart Solution Mortgage Loan shall be remitted by the mortgage lender to the Servicer. All notices to FHA, USDA, VA, and Freddie Mac which are required to be given under applicable FHA, USDA, VA, and Freddie Mac requirements shall be given by the Mortgage Lender prior to purchase. The Mortgage Lender shall also notify the Mortgagor in writing on the purchase date (with a copy to the Servicer) the start date of payments to the servicer and that checks, money orders or other remittances in payment of the Smart Solution Mortgage Loan must be paid to the order of the Servicer. The Mortgage Lender shall also provide to the Servicer and the HFA such other reports or information regarding the Smart Solution Mortgage Loan being sold by such Mortgage Lender as may be reasonably requested by either of them.

The Servicer shall have no obligation to purchase Smart Solution Mortgage Loans unless such loans are eligible hereunder, can be and otherwise conform to all requirements of this Invitation, and the Servicer shall have no obligation to investigate or confirm such eligibility or conformance except as specifically required by this Agreement.

The Mortgage Lender shall deliver the original executed Smart Solution First and Second Mortgage, if applicable, Smart Solution First and Second Mortgage Note, if applicable and Assignment of Mortgage(s) in the following manner: (1) the Smart Solution First Mortgage Note shall bear an endorsement set forth on the back thereof "Payable to ServiSolutions, a department of Alabama Housing Finance Authority, without recourse" and the Smart Solution Second Mortgage Note, if applicable, shall bear an endorsement set forth on the back thereof "Payable to Mississippi Home Corporation (or such other endorsee as Servicer & the Corporation may designate to Mortgage Lender in writing) and be executed by a duly authorized officer of the Mortgage Lender; and (2) the related Smart Solution First and Second Mortgage, if applicable, shall be a certified copy of the original executed Smart Solution First and Second Mortgage, if applicable, accepted for recording in the public office in which recordation is necessary to give constructive notice of the lien created thereby; shall have the appropriate recording information written on the face thereof; and shall bear written evidence of assignment of mortgage loan in MERS to Alabama Housing Finance Authority d/b/a ServiSolutions. In addition, the Mortgage Lender shall deliver the original executed Subordinate Smart Solution Mortgage and Subordinate Smart Solution Mortgage Note in the name of Lender. The Mortgage Lender shall deliver to the Servicer in the method as directed in the Smart Solution Procedure Manual the original recorded copy of each Smart Solution Mortgage and Subordinate Smart Solution Mortgage evidence of assignment of mortgage loan in MERS and the Title Policy and FHA Mortgage Insurance Certificate or VA Loan Guaranty Certificate, if applicable, together with a copy of each of such documents certified by the Mortgage Lender to be a true and correct copy thereof, within 120 days after closing of the related Smart Solution Mortgage Loan(s) or such longer time as may be approved by the Servicer for good cause. The Mortgage Lender shall further perform any other action or deed as the Servicer may direct to cause the proper filing or recording (or refiling or rerecording, if necessary) of Smart Solution Mortgage(s), notice of such Smart Solution Mortgage Note in such other places and in such other manner, form, or condition satisfactory to the Servicer as is necessary to perfect the Servicer's security interest in each such Smart Solution Mortgage Note and related Smart Solution Mortgage. The delivery of the Smart Solution Mortgage Note(s) and related Smart Solution Mortgage(s) shall be accompanied with or shall reflect that all applicable documentary stamp(s) and other excise taxes, all intangible taxes and all recording and registration fees have been paid with respect thereto.

For FHA Insured and USDA Guaranteed, USDA Guaranteed or VA Guaranteed Mortgage Loans, the Custodian for the Smart Solution Mortgage File documents under the Ginnie Mae Custodial Agreement, will retain (1) the original Smart Solution Mortgage Note, (2) the original recorded Smart Solution Mortgage, (3) the title insurance policy, and (4) the applicable FHA/USDANA Insurance or Loan Guaranty Certificate. All other documents will be retained by the Servicer. For Conventional Mortgage Loans, the Custodian for the Smart Solution Mortgage File documents under the Freddie Mac Custodial Agreement will retain (1), (2) and (3) above. The Mortgage Lender shall deliver the documents described above to the Servicer upon receipt of such documents and in no event later than one-hundred twenty (120) days after the Closing Date of the related Smart Solution Mortgage Loan. In the event the Servicer has not received all such documents on a timely basis, a penalty of \$100.00 per month (assessed by the Servicer) shall be charged to the Mortgage Lender until such documents are received. The Mortgage Lender acknowledges and agrees that the amount of such penalties may be amended from time to time in Servicer's sole and absolute discretion.

Lenders have 10 days from closing to deliver the complete closed loan package to ServiSolutions. A loan is considered to be in a fundable condition when a complete closed loan package is delivered without errors or missing documents. Also, loans with delinquent payments will not be purchased. Lenders will have 40 days from the date of closing to clear the loan exception with no penalty. If the loan is not cleared until 41 days from the date of closing, the lender will be charged a late delivery fee of 50 basis points (0.50%) of the principal purchased. If the file is not cleared by the 71st day from the date of closing, original Notes will be returned to the lender and the loan(s) will not be purchased.

This section does not override any applicable lock expiration period. Extension fees may be required by Mississippi Home Corporation if the loan is not

funded by the applicable expiration date. The amounts of all fees and penalties are subject to change. Please refer to the current schedule of penalties and fees located at www.servsol.com for the most current information.

15. Transfer of Loan Servicing Rights and Benefits.

- The originating lender retains the loan servicing rights and benefits until ServiSolutions purchases the loan. The originating lender will perform all servicing duties until that time. Servicing and benefits rights transfer to ServiSolutions at the time of loan purchase. ServiSolutions will send the purchase payment advice to all lender designated contacts at the time of funding. Once the purchase payment advice is received, the lender will send their “**Goodbye letter**” to the borrower. In addition, ServiSolutions will send a Notice of Assignment, Sale, or Transfer (“Hello letter”) and two temporary payment coupons to the borrower. The first payment due to ServiSolutions will be determined based upon the purchase date.
- If the loan is purchased (purchase date) on or before the 10th of the month, the first payment due to ServiSolutions will be the next scheduled monthly payment due date. After the 10th, the effective date will roll to the following scheduled monthly payment due date. The lender must transfer the loan to ServiSolutions through the MERS system immediately after purchase.
- Preliminary Copy of the originating lender’s goodbye letter is listed on the checklist and must be included in the file delivered to ServiSolutions. Only borrowers name and address are required on this copy.

❖ Examples

- A loan that closed on 6/2/16 and is received by the ServiSolutions office on 6/8/16 and can be purchased prior to 6/10/16 will fund at the original note amount with no late delivery penalty unless 60+ days from the reservation date has occurred. If 60+ days from reservation date has occurred a .25% late delivery fee will be netted from the purchase proceeds.
- A loan that closed on 5/23/16 and is received by ServiSolutions on 6/15/16 and can be purchased any time prior to Day 41 (7/2/16) will fund based on a lender provided pay history (if applicable). No delivery penalty fee will be assessed but if 60+ days from the reservation date has occurred a .25% late delivery penalty will be netted from the purchase proceeds. In cases where loans may be purchased after the 10th of the month but before the first payment is due (no pay history available), the loan will be purchased at the amortized balance for the next payment.
- A loan that closed on 6/24/16 is received by ServiSolutions on 7/28/16 and is purchased anytime between 8/3/16- 9/1/16 (Day 41-70) will fund based on lender provided pay history. The Lender will be charged a penalty fee of 50 basis points (0.50%) of the principal purchased by ServiSolutions. If over 60 days from the reservation date, the lender will be charged a late delivery penalty fee of 25 basis points (0.25%) by MHC. If the loan is purchased prior to the 10th of the month, first payment date to ServiSolutions will be next scheduled monthly payment due date. If the loan is purchased after the 10th of the month, the effective date of first payment to ServiSolutions will roll to the following scheduled monthly payment due date.

16. Buy downs. Buy downs are permitted under the Smart Solution Program, but only with written authorization from the Corporation.

17. Funding of the Mortgage Loan. ServiSolutions will issue an ACH or wire on single and multiple funding’s each Wednesday and Friday for each lender. A breakdown of the multiple lenders’ funding’s will be included with the ACH or wire. Any discrepancies should be directed to the Funding and Delivery Department. Only one set of ACH/wiring instructions will be accepted from each lender. Lenders are allowed one change to the wiring instructions per calendar year. Subsequent changes to ACH/wiring instructions will result in a \$500 fee per transaction.

Lenders are responsible for servicing the loan until purchased by ServiSolutions to include the payment of all required escrow disbursements for each loan during the period from closing to purchase.

In general, fundable closed mortgage loan packages received by the close of the business day on Monday of each week will be funded on Friday and those received by the close of business on Thursday will be funded on Wednesday of the next week once approved by Mississippi Home Corporation. **Refer to the Program Manual for further detail.**

18. Smart Solution Second Mortgage. This Smart Solution program provides down payment and closing cost assistance to homebuyers. The Second Mortgage assistance program is to be used in conjunction with the Smart

Solution 30-day program only, not the Smart Solution Plus Program, if available. All homebuyers must meet the qualifications stated on the Smart Solution Second Application. The maximum second mortgage assistance available to a home buyer is (a) FHA 4.5% of the Loan Amount, (b) VA 4.5% of the Loan Amount, (c) Rural Development 4.5% of the Loan Amount, (d) Freddie Mac Conventional loans- 4.5% of the Loan Amount. This Second Mortgage assistance program will be available in conjunction with homes financed under FHA 203(b), VA Guaranteed loans, RD Guaranteed loans, or Freddie Mac loan products. This second mortgage program cannot be used in conjunction with any other down payment assistance program or grant program without prior approval from the Corporation. All FHA, VA, RD, Freddie Mac and ServiSolutions guidelines must also be met. A Second Mortgage will be recorded against the property being purchased. The term of the second mortgage will be 10 years and the second mortgage will bear an interest rate at the first mortgage note rate set by the Corporation. The second mortgage will be repaid on a monthly basis and amortized over the 10- year term. Full repayment will be required upon sale of the property, refinance of the first mortgage, and/or payoff of the first mortgage. A Lender may not charge any additional fees in conjunction with the Second Mortgage program, except for actual recordation cost, second mortgage application fee, if applicable and home buyer education if Borrower paid for the education. The recording costs of the second mortgage loan are to be borne by the borrower or seller. The price to be paid by the ServiSolutions will be the amount equal to 100% of the principal amount of the second mortgage, plus per diem interest in accordance with the Loan Delivery section of the Smart Solution Procedures Manual. Upon the sale of the Mortgage Loans to ServiSolutions by the originating lender, they will act as servicer on both the first and second mortgages. The Smart Solution Second mortgage is not assumable. The Corporation may, in its sole discretion, waive or modify any or all the foregoing requirements.

Additionally, the Lender will be required to act as agent for the Corporation to disclose information as required by the Code to Eligible Mortgagors.

LENDER IS REMINDED THAT THESE SMART SOLUTION PROGRAM GUIDELINES ARE A BRIEF DESCRIPTION OF THE PROGRAM. LENDERS ARE REFERRED TO THE SMART SOLUTION MORTGAGE ORIGINATION AGREEMENT AND THE SMART SOLUTION PROCEDURES MANUAL FOR A FULL DESCRIPTION OF THEIR RIGHTS, DUTIES AND OBLIGATIONS UNDER THE SMART SOLUTION PROGRAM. LENDER IS FURTHER REMINDED THAT THE CORPORATION RESERVES THE RIGHT TO MODIFY THE TERMS AND PROVISIONS OF THESE GUIDELINES AND/OR THE SMART SOLUTION MORTGAGE ORIGINATION AGREEMENT AND/OR ANY OTHER PROGRAM DOCUMENT AT ANY TIME.

NEW LENDER PACKAGE SUBMISSION REQUIREMENTS - MAIL TO MS HOME CORP.

PLEASE NOTE: If the package is determined to be incomplete at the time of initial review, the lender has thirty (30) days from the date of initial notification to send in all requested outstanding documents. If that does not occur, the lender's request to participate will be declined, a declination letter sent and the \$175 fee reimbursed, if included with the initial package.

1. \$175 program participation fee from new lender (can either be overnighted or lender be billed upon Servisolutions' approval).
2. Executed Smart Solution Mortgage Origination Agreement.
3. Completed "Originator Questionnaire" (attached).
4. Completed "Originator Contacts Form" (attached).
5. Completed "Lender Online & Quantalytix Scorecard Administrators Form" (attached). Designate two individuals within your company as administrators for each.
6. Completed "Wire Funding Authorization" (attached).
7. Copy of HUD/ VA approval letter evidencing current approval status/ date.
8. If lender is a non-depository institution, provide completed "Warehouse Line Form" (attached), applicable warehouse line agreement(s) and sample bailee letter(s).
9. Originator's Quality Control Plan.
10. Most recent scorecard from 3 other investors dated within 90 days.
11. The following most recent 90 days of QC reports:
 - 1) Pre-Funding Reports with the most recent dated within 30 days.
 - 2) Post-Closing QC Reports with the management responses with the most recent dated within 120 days.
12. Copy of current E&O/ Fidelity Bond Policy.
13. Originator's hiring procedures for checking all employees, including management, in the origination of mortgage loans against 1) SAM/ GSA Excluded Parties List, 2) HUD LDP List and 3) FHFA SCP List.
14. Resumes of principal officers and underwriting personnel that will be involved with applicable HFA programs.
15. Most recently issued audited financial statements, including Report of Independent Auditors, **and** the most recent unaudited quarterly financial statements.

Note: a minimum net worth of \$1,000,000 is required.



GENERAL							
Company's Legal Name:							
Street Address:				City, State, Zip:			
Mailing Address (if different):				States Originating In:			
State of Incorporation:	Date of Incorporation:	Type of Lending Institution:	Co.'s Tax ID #:	Co.'s NMLS #			
ENTITY STRUCTURE							
<input type="checkbox"/> Corporation	<input type="checkbox"/> S-Corp	<input type="checkbox"/> Series LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor			
ENTITY OWNERSHIP (N/A if publicly traded corporation)							
Provide companies/ individuals with greater than 10% ownership to 100%. Attach supplemental documentation is necessary.							
Name	Title		% of Ownership				
FINANCIAL INSTITUTIONS							
Type of Institution (Commercial, Community, S&L, etc.):			Bank ID (FDIC, Charter, etc.):				
Name of Parent Co:			Address of Parent Co.:				
<input type="checkbox"/> N/A							
If Parent Co. is a financial Institution, provide type of institution:			Parent Co. Banking ID #:				
PRINCIPAL OFFICERS							
Name	Title	% of Ownership	Years at Company	Years in Industry			
Name	Title	% of Ownership	Years at Company	Years in Industry			
PRODUCTION VOLUME							
CURRENT YEAR				PREVIOUS YEAR			
Conventional Totals	Government Totals	% Retail	% TPO	Conventional Totals	Government Totals	% Retail	% TPO
SELLER RELATIONSHIP REQUESTED							
FHA Delegated (DE)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	UDSA	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
VA Delegated (Auto)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	TPO Conv. Loans	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Conv. Delegated U/W	<input type="checkbox"/> Yes	<input type="checkbox"/> No	TPO Government Loans	<input type="checkbox"/> Yes	<input type="checkbox"/> No		

APPROVALS AND DESIGNATIONS					
	Date Approved	Type/ Level of Approval	Lender ID #		
FHA					
VA					
USDA					
MERS					
INSURANCE AND BOND COVERAGES					
	Policy Expiration Date	Limit of Coverage			
Errors/ Omissions (Prof. Liability) Minimum \$500k					
Fidelity (Employee Dishonesty) Minimums \$500k					
CURRENT LOAN LOSS RESERVE ALLOWANCE					
Amount:					
WAREHOUSE LINE INFORMATION					
All <u>non-depository institutions</u> are required to provide the information below and attach copies of the following: 1) Warehouse line agreement(s) and 2) Sample bailee letter(s)					
Entity Name	Contact Person	Account #	Phone Number	E-mail Address	If they will register in MERS as Interim Funder, provide MERS ORG ID
HELLO LETTER DATA					
Attention Line:			Toll Free Customer Service Telephone #:		
Address Line 1:					
Address Line 2:			Company Website Address:		
City, State, Zip Code:					
DECLARATIONS					
(if the answer to any of these questions is 'yes', please attach an explanation.)					
Is your company compliant with all applicable federal, state, and local laws?		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Has this company ever been required to repurchase a loan by any of its investors?		<input type="checkbox"/> No	<input type="checkbox"/> Yes		
Has this company, and/ or any of its Principal/ Corp. Officers ever been investigated or disciplined for misconduct by any regulatory agency?		<input type="checkbox"/> No	<input type="checkbox"/> Yes		
Has this company, and/ or any of its Principal/ Corp. Officers, ever been suspended by any Wholesaler, Correspondent Investor, or MI Company?		<input type="checkbox"/> No	<input type="checkbox"/> Yes		
Is there any pending litigation with this company or any of its Principal and/ or Corporate Officers?		<input type="checkbox"/> No	<input type="checkbox"/> Yes		
Has this company, and/ or Principal/ Corp. Officers, been named as a defendant in a lawsuit for alleged Fraud or Misrepresentation?		<input type="checkbox"/> No	<input type="checkbox"/> Yes		

Has this company, and/ or Principal/ Corp. Officers filed for protection for creditors under provision for bankruptcy laws with the past 7 years?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
Has this company, and/ or Principal/ Corp. Officers, ever previously applied to do business with or previously been approved with either AHFA or ServiSolutions?	<input type="checkbox"/> No	<input type="checkbox"/> Yes

REFERENCES
(Provide three other investors that you are currently working with.)

Investor Reference (include scorecard referenced below in next section)	Name/ Title of Contact	Approval Date	Telephone #
Investor Reference (include scorecard referenced below in next section)	Name/ Title of Contact	Approval Date	Telephone #
Investor Reference (include scorecard referenced below in next section)	Name/ Title of Contact	Approval Date	Telephone #

LENDER IS APPLYING FOR THE FOLLOWING HFA:

<input type="checkbox"/> AHFA/ Step-Up Program	<input type="checkbox"/> ADFA (Arkansas)	<input type="checkbox"/> MHC (Mississippi)	<input type="checkbox"/> MHDC (Missouri)	<input type="checkbox"/> NCHFA (N. Carolina)
--	--	--	--	--

FOR AHFA'S (Alabama) STEP-UP PROGRAM ONLY—STATE/BRANCH QUESTIONS

Date of qualification to do business in the State of Alabama:

Are you a lender, having maintained an office in the State of Alabama at least 12 consecutive months immediately prior to the execution of the Step-Up Agreement:

Yes No

Did you originate single-family residential FHA and Conventional loans in the state of Alabama for at least 12 consecutive months immediately prior to the execution of the Step-Up Agreement:

Yes No

ATTACHMENTS REQUIRED (All Lenders)
NOTE: If package is incomplete at time of initial review, lender must provide outstanding documents within 30 days after initial request by AHFA/ ServiSolutions or application will be canceled.

1. \$175 program participation fee	<input type="checkbox"/> Submitted
2. Original executed agreement page(s)	<input type="checkbox"/> Submitted
3. Completed "Originator Questionnaire"	<input type="checkbox"/> Submitted
4. Completed "Originator Contact Form"	<input type="checkbox"/> Submitted
5. Completed "Lender Online & Quantalytix Scorecard Admin Form"	<input type="checkbox"/> Submitted
6. Completed "Wire Funding Authorization"	<input type="checkbox"/> Submitted
7. Copy of HUD/ VA Approval Letter evidencing current approval status/ date	<input type="checkbox"/> Submitted
8. If originator is a non-depository institution, complete "Warehouse Line Information" section above & attach applicable line agreement(s) and sample bailee letter(s)	<input type="checkbox"/> Submitted
9. Originator's Quality Control Plan	<input type="checkbox"/> Submitted
10. Most recent scorecard from 3 other investors dated within 90 days.	<input type="checkbox"/> Submitted
11. The following most recent 90 days-worth of QC reports:	<input type="checkbox"/> Submitted

a) Pre-Funding Reports with the most recent dated within 30 days. b) Post-Closing Reports with management responses with the most recent dated within 120 days	
12. Current E&O/ Fidelity Bond Policy	<input type="checkbox"/> Submitted
13. Originator's hiring procedures for checking all new Employees against the following exclusionary lists: a) SAM/ GSA Excluded Parties List b) HUD LDP List c) FHFA SCP List	<input type="checkbox"/> Submitted
14. Resume(s)' of principal officer(s) and underwriting personnel that will be involved w/ applicable HFA programs.	<input type="checkbox"/> Submitted
15. Most recently audited year-end financial statements & most recent YTD un-audited quarterly financial statements.	<input type="checkbox"/> Submitted

I hereby certify that the information provided with regards to this application is true and accurate. It is understood that AHFA/ ServiSolutions will make reference inquiries and that it may verify any information contained in this application by inquiries through public and private sources. It is further understood that AHFA/ ServiSolutions is not bound in any matter, not under any obligation to the applicant, until the application is approved in writing and the agreement is fully executed.

Officer Signature	Print Name	Title	Date
-------------------	------------	-------	------



A Division of the Alabama Housing Finance Authority

ORIGINATOR CONTACTS FORM

LENDER NAME: _____
ADDRESS: _____

PRIMARY CONTACT:
Phone: _____ E-Mail: _____

SHIPPING MANAGER:
Phone: _____ E-mail: _____

FINAL DOCUMENTS CONTACT:
Phone: _____ E-mail: _____

REPURCHASE CONTACT:
Phone: _____ E-mail: _____

SECONDARY MARKETING:
Phone: _____ E-mail: _____

POST-CLOSING QUALITY CONTROL CONTACT:
Phone: _____ E-mail: _____

PLEASE PROVIDE LIST OF INDIVIDUALS WHO CAN ACT AS SIGNEES, IN ADDITION TO THEIR SIGNATURES:

Name: _____ Signature _____
Print

Name: _____ Signature _____
Print

Name: _____ Signature _____
Print

Name: _____ Signature _____
Print



A Division of the Alabama Housing Finance Authority

LENDER ONLINE & QUANTALYTIX SCORECARD ADMINISTRATORS FORM

LENDER: _____

LENDER ONLINE

System Administrator #1:

- Name: _____
- Phone: _____
- E mail: _____

System Administrator #2:

- Name: _____
- Phone: _____
- E mail: _____

SCORECARD*

***NOTE:** The lender will need to designate an executive-level employee as a scorecard administrator.

Scorecard Administrator #1:

- Name: _____
- Phone: _____
- E mail: _____

Scorecard Administrator #2:

- Name: _____
- Phone: _____
- E mail: _____

Signature

Date

WIRE FUNDING AUTHORIZATION

Affiliated HFA: D ADFA D AHFA D MHDC D MSHC D NCHFA

Company Name: _____

Beneficiary

Account Name: _____

Account Number: _____

Beneficiary Bank

Bank Name: _____

Bank Routing Number: _____

Intermediary Bank Information (if applicable) Routing Number: _____

Address: _____

Additional Information:

The undersigned lender accepts responsibility to report to ServiSolutions any financial institution changes, account number changes, lender name changes or any other vital information necessary for transfer of funds. Failure to notify ServiSolutions could result in funding delays. ServiSolutions may rely on this authorization until it receives written notice of any change.

Signature

Title

Type Name

Date

Do Not Write Below This Line – for AHFA Use Only

Date Received

Date Entered

Initials

Warehouse Line Information

Lender Name: _____

All non-depository institution lenders are required to provide the information below along with copies of the following:

- Warehouse Line Agreements
- Sample Bailee Letters

Warehouse Lenders

Entity Name	Contact	Account #	Phone Number	Email Address	If they will register in MERS as Interim Funder provide MERS ORG ID

Please provide only for those warehouse lenders you will be utilizing for loans to be sold to AHFA/ServiSolutions. Maximum of 3.



BRANCH OFFICE CONTACT FORM

Please list Branch office locations with the Branch Manager, if applicable, and one (1) Originator who will need access to MHC's online system. **Note: Lender Administrator(s) will have access to add additional Originators as needed using their system access codes once the Branch office has initially been added to MHC's system by MHC staff.** (Attach a separate list if necessary.)

1. Branch Manager Name: _____ Email: _____

Phone: _____ Fax: _____

Originator Name: _____

Originator Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____

2. Branch Manager Name: _____ Email: _____

Phone: _____ Fax: _____

Originator Name: _____

Originator Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____

3. Branch Manager Name: _____ Email: _____

Phone: _____ Fax: _____

Originator Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____

4. Branch Manager Name: _____ Email: _____

Phone: _____ Fax: _____

Originator Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____

5. Branch Manager Name: _____ Email: _____

Phone: _____ Fax: _____

Originator Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____



Mississippi Home Corporation

LENDER ONLINE SYSTEM ADMINISTRATORS FORM

Lender: _____

System Administrator #1:

- Name: _____
- Business Address: _____

- Phone: _____
- Fax: _____
- Email: _____

System Administrator #2:

- Name: _____
- Business Address: _____

- Phone: _____
- Fax: _____
- Email: _____

Signature

Date

MHC 7/19/19