

MISSISSIPPI HOME CORPORATION
DOWN PAYMENT ASSISTANCE PROGRAM
LENDER/BROKER PARTICIPATION AGREEMENT

This Lender/Broker Participation Agreement (the "Agreement") is made and entered into by and between the Mississippi Home Corporation (the "Corporation") and _____ (the "Lender/Broker"), a Federal Housing Authority ("FHA"), Veterans Affairs ("VA") and/or United States Department of Agriculture Rural Development ("RD") approved Lender/Broker.

WITNESSETH:

WHEREAS, in accordance with the Constitution and Laws of the State of Mississippi (the "State"), particularly the Mississippi Home Corporation Act, Section 43-33-701 et seq., Mississippi Code of 1972 as amended (the "Act"), wherein the Corporation is authorized to carry out the public purposes described in the Act by making loans to finance the acquisition or construction of single family residential housing for persons within the state who are of low or moderate income;

WHEREAS, the Corporation has determined there is a need to make second mortgage down payment assistance loans (the "Down Payment Assistance Program" or "DPA") to qualified individuals for homeownership;

WHEREAS, the Lender/Broker wishes to participate in the Down Payment Assistance Program (the "DPA Program") administered and serviced by the Corporation by providing the financing for the acquisition of new and existing single family housing, and without further authorization, possesses full power to do so.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties hereto agree as follows:

1. The Corporation hereby designates the Lender/Broker as one of its agents for receipt and processing of the applications for Down Payment Assistance Loans.
2. Lender/Broker will make information provided by the Corporation regarding the DPA Program readily available to potential applicants (the "Borrowers" or each a "Borrower"). Lender/Broker will process and review the application of any Borrower in a timely manner in order to determine eligibility for the DPA Program. In evaluating each Borrower's eligibility, Lender/Broker will use the standards and criteria set forth in the regulations promulgated by the Internal Revenue Service for verification of income limits as set forth under the Housing Act of 1937 for the State of Mississippi.
3. Lender/Broker will provide each Borrower all documents necessary to apply for and receive a Down Payment Assistance Loan and will obtain such documents from the Borrower upon their completion. In addition, Lender will complete all other documents provided by the Corporation in connection with the DPA Program. All such documents described in this paragraph are collectively attached hereto as Exhibit A.
4. Lender/Broker will follow standard FHA, VA or RD underwriting procedures in its processing of the loan application of each Borrower, including but not limited to its usual and customary practices respecting investigation of credit and verification of information. Lender/Broker warrants that all information provided to the Corporation regarding each Borrower's eligibility under the DPA Program (i) is provided in good faith, (ii) is accurate to the best of its knowledge and (iii) is the result of standard due

diligence on the part of Lender/Broker.

5. Lender/Broker warrants that it will comply with the guidelines established by the Corporation respecting the DPA Program.

6. Upon reasonable request and during normal business hours, the Corporation and its authorized representatives shall have the authority to examine and inspect all books and records in Lenders/Brokers possession relating to any Borrower and/or the DPA Program.

7. The Lender/Broker shall be liable to the Corporation with respect to any Down Payment Assistance Loan where the Borrower is delinquent on the first two (2) payments to the Corporation. If such occurs, the Lender/Broker shall, upon the demand of the Corporation, will be required to purchase the DPA Loan for an amount equal to the sum of one hundred percent (100%) of the unpaid principal balance of the loan with an adjustment for accrued interest at the time of purchase.

8. Lender/Broker may charge each Borrower the following fees, provided they are reasonable and customary and do not exceed Lender/Broker fees associated with mortgages not provided in connection with the DPA Program: points, origination fees, application fees, survey fees, credit report fees, insurance fees, and other standard fees.

9. Lender/Broker must also charge a reservation fee of \$200.00 payable to Mississippi Home Corporation, which is necessary to cover the administrative costs incurred in processing the DPA Program application. Per FHA requirements, the reservation fee cannot be paid by the Borrower.

10. This Agreement shall remain in full force and effect until terminated. Lender/Broker or the Corporation may terminate this Agreement without cause, upon sixty- (60) calendar day's written notice to the other. Further, the Corporation may immediately terminate this Agreement and prohibit the Lender/Broker from participation in the DPA Program upon the Lender/Broker's failure to comply with the terms and conditions of this Agreement and upon written notice by the Corporation. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.

11. Any notice given hereunder shall be given in writing, signed by the party giving such notice, and shall be sent by United States Mail, with proper postage, addressed to the party for whom intended at the following address:

TO: Mississippi Home Corporation
735 Riverside Drive
P O Box 23369
Jackson, MS 39225-3369
Attention: Vice President, Single Family Program Operations

TO LENDER/BROKER: _____

Phone: _____ Fax: _____
Attention: _____
Email Address: _____

or to such other address as the party being given such notice shall, from time to time, designate to the other.

12. Lender/Broker hereby acknowledges and agrees that repayment of any loan made in conjunction with the DPA Program is the sole responsibility of the Borrower obtaining the loan, subject to Section 7 of this Agreement, and payment of such loans does not constitute an indebtedness of the Corporation or a charge against its general credit or other assets. Lender/Broker hereby waives any rights it might have to look to the Corporation for repayment in the event of a default by any Borrower under the DPA Program.

13. In any provision of this Agreement, or the application thereof to any person or circumstance, shall be held invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect any other provision of this Agreement that can be given effect without the invalid or unenforceable provision, or the application of such provision to other persons or circumstances, and, to this end, the provisions hereof are severable.

14. This Agreement and the rights and obligations of the parties hereunder shall be constructed in accordance with and governed by the laws of the State of Mississippi.

IN WITNESS WHEREOF, the Corporation and Lender/Broker has executed this Agreement on the dates indicated below.

LENDER/BROKER

By: _____
(Type Name: _____)

Its: _____
(Type Title: _____)

Date: _____

Mississippi Home Corporation
the "Corporation"

By: _____
Dianne Bolen

Its: Executive Director

Date: _____

DOWN PAYMENT ASSISTANCE CHECKLIST

Reservation Number

Borrower

Co-Borrower

RESERVATION PACKAGE : *Due three (3) days from reservation.*

- _____ 1. DPA Checklist (DPA 006)
- _____ 2. Reservation Form (DPA 005)
- _____ 3. Reservation fee of \$200.00 payable to MHC (**Cannot be paid by the Buyer & is Non-Refundable**)
- _____ 4. Copy of Executed Loan Application
- _____ 5. Copy of Executed Sales Contract
- _____ 6. Copy of Homebuyer Education Counseling Certificate

COMPLIANCE PACKAGE : *New/Existing due 45 days or Construction due 120 from reservation.*

- _____ 1. DPA Checklist (DPA 006)
- _____ 2. Federal Tax Returns - 3 Years (Non-Target areas only. Required on all applicable occupants). Each year returns must be originally signed and all schedules attached.
- _____ 3. VOE(s) & Current pay-stub(s) (Required on all applicable occupants for current tax year).
- _____ 4. Income Worksheet
- _____ 5. Two most Current Bank statements
- _____ 6. Down Payment Assistance Application (DPA 001)
- _____ 7. FHA Transmittal Summary or MCAW, VA Loan Analysis or FannieMae 1008 (Uniform Underwriting & Transmittal Summary) for RD Guaranteed Loan
- _____ 8. Attorney Information Form (DPA 003) and Completed Air Bill (if applicable)
- _____ 9. Exception documentation (if applicable)
- _____ 10. Copy of Appraisal
- _____ 11. Notification of Change Form (DPA 007) if applicable

CLOSED LOAN PACKAGE : *Due thirty- (30) days from Lender/Broker after closing.*

- _____ 1. DPA Checklist (DPA 006)
- _____ 2. Copy of Executed First Mortgage Note
- _____ 3. Copy of Executed First Mortgage Deed of Trust
- _____ 4. Copy of Executed HUD-1
- _____ 5. Copy of Homeowners Insurance Declaration Page
- _____ 6. Original Executed Second Mortgage Note
- _____ 7. Original Recorded Second Mortgage Deed of Trust and Rider
- _____ 8. Original Second Mortgage Executed Truth-In-Lending (TIL)
- _____ 9. Original Executed Second Mortgage DPA Disclosure (DPA 002)

ALL CLOSING DOCUMENTS MUST BE RECEIVED WITHIN 30 DAYS OF CLOSING OR THE LENDER/BROKER WILL BE CHARGED A PENALTY OF \$50.00 EVERY THIRTY- (30) DAYS AND/OR SUSPENDED FROM MHC PROGRAMS.