

**MORTGAGE ORIGINATION AND SALE AGREEMENT**

**BY AND AMONG**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
("AUTHORITY")**

**AND**

**PARTICIPANT  
(DEFINED HEREIN)**

**AND**

**MASTER SERVICER (DEFINED HEREIN)**

**DATED AS OF**

\_\_\_\_\_, 2011

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## **MORTGAGE ORIGATION AND SALE AGREEMENT**

This Mortgage Origination and Sale Agreement dated as of \_\_\_\_\_, 2011 (the "Origination Agreement"), is by and among the Indiana Housing and Community Development Authority (the "Authority"), the Master Servicer (herein defined) and \_\_\_\_\_, a(n) \_\_\_\_\_ ("Participant").

### **RECITALS**

WHEREAS, the following facts are true:

- a. All capitalized terms are used as defined herein.
- b. The Authority has entered into an Indenture and one or more Supplemental Indentures pursuant to which the Authority will from time to time issue single family mortgage revenue bonds (the "Bonds") the proceeds of which will be used to finance the purchase of Fannie Mae Certificates, which represent Fannie Mae Pools of Mortgage Loans, and GNMA Certificates, which represent GNMA Pools of Mortgage Loans.
- c. This Origination Agreement, as may be supplemented and amended from time to time as provided herein, governs the roles of the parties hereto in the Program, including the use of the proceeds of the Bonds.
- d. The Participant is not obligated by virtue of its execution hereof to originate Mortgage Loans with respect to the Bonds until delivery to the Authority of a Reservation Request for one or more particular Mortgage Loans, all as further provided in this Origination Agreement and the Program Guide.

NOW, THEREFORE, in consideration of the mutual covenants provided herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

### ARTICLE I.

#### DEFINITIONS

Unless otherwise defined herein, all words and phrases defined in the Servicer Agreement, Indenture and Program Guide are used herein as so defined.

The following words and phrases have the meanings specified below:

"Bonds" means any obligations of the Authority issued pursuant to the Indenture and any Supplemental Indenture.

"Borrower's Closing Affidavit" means that document described as such in the Program Guide.

"Certificates" means either a GNMA Certificate or a Fannie Mae Certificate.

"Code" means the Internal Revenue Code of 1986, as amended, any predecessor to the Code and any rules or regulations promulgated thereunder.

"Down Payment Assistance Loans" means those loans designated as such and provided by the Authority.

"Eligible Borrower" means any person meeting the qualifications of the Program and the Program Guide.

"FHA" means the Federal Housing Administration of the United States Department of Housing and Urban Development, or such other agency or instrumentality created or chartered by the United States to which the powers of the Federal Housing Administration have been transferred.

"FHA Insurance" means FHA mortgage insurance issued under one of the FHA Insurance programs for Single Family Residences pursuant to the National Housing Act.

"Fannie Mae" means the Federal National Mortgage Association, a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act and any successor to its functions.

"Fannie Mae Agreement" means one or more Fannie Mae Pool Purchase Contracts between the Master Servicer and Fannie Mae relating to the sale by the Master Servicer of Mortgage Loans to Fannie Mae and the servicing thereof.

"Fannie Mae Certificate" means a certificate or other mortgage-backed security purchased by the Trustee, issued or otherwise acquired by the Servicer from Fannie Mae in exchange for pools of Mortgage Loans.

"Fannie Mae Guide" means the Fannie Mae Selling and Servicing Guides, as amended from time to time, as modified by the Fannie Mae Agreement.

"Fannie Mae Pool" means the assemblage of Mortgage Loans backing the issuance of Fannie Mae Certificates.

"GNMA" means the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development and any successor to its functions.

"GNMA Certificate" means a certificate purchased by the Trustee, issued by the Master Servicer and guaranteed by GNMA pursuant to GNMA's GNMA Mortgage-Backed Securities Programs and other related provisions under the National Housing Act of 1934, as amended, and based on and backed by Mortgage Loans referred to in the GNMA Guaranty Agreement.

"GNMA Guaranty Agreement" means one or more guaranty agreements in the form set forth in the GNMA Guide between the Master Servicer and GNMA now or hereafter in effect pursuant to which GNMA has agreed or will agree to guarantee GNMA Certificates backed by Mortgage Loans.

"GNMA Guide" means, with respect to a Series of Bonds, either the GNMA I or II Mortgage-Backed Security Guides, GNMA Handbook 5500.1 or GNMA Handbook 5500.2, as amended from time to time, for the GNMA Mortgage-Backed Securities Program pursuant to which GNMA Certificates can be purchased under the provisions of the Supplemental Indenture authorizing such Series.

"GNMA Pool" means the assemblage of Mortgage Loans backing the issuance of GNMA Certificates.

"Indenture" means the Master Indenture as it may be supplemented by any one or more Supplemental Indentures from time to time.

"Loan(s)" means the Mortgage Loan(s) and the Second Mortgage Loan(s).

"Master Indenture" means that certain Amended and Restated Indenture of Trust dated as of February 1, 1997, by and between J.P. Morgan Trust Company, National Association (successor in interest to NBD Bank, N.A.), as Trustee, and the Authority, as heretofore supplemented and amended.

"Master Servicer" or "Servicer" means the entity or entities selected by the Authority to purchase Loans from Participants as specified from time to time by the Authority and as set forth in the Program Guide, and any successors or assigns of such entity or entities and any successors and assigns thereof, including any sub-servicer.

"Mortgage" means the interest in the Mortgaged Property creating a first lien thereon and providing security for the Mortgage Loan.

"Mortgage File" means all documents related to the Loans listed in the Program Guide.

"Mortgage Loan" means any obligation secured by real property in the State upon which a Single Family Residence is located and to be acquired by the Master Servicer pursuant to the Servicer Agreement which meets the requirements of the Program, Program Guide, and GNMA or Fannie Mae or

USDA Rural Development, as the case may be.

"Mortgage Note" means, with respect to each Eligible Borrower receiving a Loan, the Promissory Note entered into by him or her in connection therewith.

"Mortgaged Property" means the real property located in the State which is subject to a specified Mortgage securing the Mortgage Loan relating thereto, or a specified Second Mortgage securing the Second Mortgage Loan relating thereto, as the case may be.

"Mortgagor" means an Eligible Borrower who has received a Loan from the Participant secured by a Mortgage on the Mortgaged Property in the case of Mortgage Loans, a Second Mortgage on the Mortgaged Property in the case of Second Mortgage Loans.

"Non-Qualifying Mortgage Loan" means any Loan which does not conform to the Program, Program Guide, GNMA Guide, Fannie Mae Guide or the USDA Rural Development Guaranteed Rural Housing Loan Program, as the case may be.

"Notice Address" means the address specified on the signature page to this document with respect to the Authority, the Participant and the Servicer or such other address as may be specified by any of the parties hereto in writing.

"PMI Insurer" means any private mortgage insurance company approved by Fannie Mae and providing Private Mortgage Guaranty Insurance on the applicable Mortgage Loans.

"Program" means the Authority's 2011 First Home and First Home/Plus Program for the financing of loans for residential housing established by the Authority pursuant to the Act, this Origination Agreement, the Servicer Agreement, the Indenture and the Program Guide, as the same may be amended from time to time consistent with the Indenture.

"Program Guide" means the Authority's 2011 First Home and First Home/Plus Program Guide for Participants and Master Servicers adopted by the Authority for its single family mortgage programs, including the Program, as in effect on the date of the Supplemental Indenture with respect to a specified Series of Bonds and as revised, amended, altered or supplemented from time to time in accordance with the Act and the Indenture.

"Registration Fee" means the amount set forth in the Program Guide.

"Request to Repurchase" means a request made by the Servicer pursuant to Sections 2.02(p) or 2.02(aa) or Section 3.07 hereof.

"Reservation" means a Reservation Request approved by the Authority.

"Reservation Fee" means the specified fee set forth in the Program Guide relating to the aggregate principal amount of the particular Mortgage Loans which the Participant has committed to originate and sell to the Servicer pursuant to a Reservation Request, payable contemporaneously with the submission of the corresponding application package, all in accordance with the procedures set forth in the Program Guide.

"Reservation Request" means a request received by the Authority from the Participant for a reservation of funds with respect to one or more specified Mortgage Loans which the Participant commits to originate and sell to the Servicer in accordance with the provisions of this Origination Agreement.

"Rules and Regulations" means the rules and regulations promulgated by the Authority as in effect from time to time establishing, among other things, procedures for the Participant's acceptance of applications for Loans.

"Second Mortgage" means the interest in the Mortgaged Property creating a lien thereon second in priority only to the Mortgage and providing security for the Second Mortgage Loan.

"Second Mortgage Loan" means an obligation secured by a Second Mortgage on real property located in the State, including Down Payment Assistance Loans, second in priority only to a Mortgage Loan.

"Servicer Agreement" means any Servicer Agreement among the Authority and a Servicer relating to a particular series of Bonds.

"State" means the State of Indiana.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Master Indenture, and effective in accordance with the Master Indenture including, for each series of Bonds issued under the Master Indenture, any series supplemental indenture between the Authority and the Trustee.

"Trustee" means J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, National Association), Indianapolis, Indiana and its successor or successors and any other person at any time substituted in its place pursuant to the Indenture.

"USDA Rural Development" means Rural Development, a division of the United States Department of Agriculture, and any successor to its functions. Its powers are prescribed by the Housing Act of 1949, as amended.

"USDA Rural Development Guaranteed" means guaranteed by USDA

Rural Development under the USDA Rural Development Guaranteed Rural Housing Loan Program.

"USDA Rural Development Guaranty" means a loan note guaranty by USDA Rural Development under the USDA Rural Development Guaranteed Rural Housing Loan Program.

## ARTICLE II.

### REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations, Warranties and Covenants of Participant. Participant represents and warrants to, and covenants with, the Servicer and the Authority during the term of this Origination Agreement:

(a) Participant is a corporation or association duly organized, validly existing and in good standing under the laws of the state in which it was chartered or incorporated, or is duly chartered or incorporated under federal law, is duly authorized to transact business in the State and in every other state in which its business requires such authorization, and customarily provides service or otherwise aids in financing mortgages located in the State.

(b) Participant will remain subject to supervision and examination by State or federal authorities, as may be applicable, and will remain in good standing and qualified to do business under the laws of the United States of America, and under the laws of each state, including the State, in which such qualification is required, and will not dissolve or otherwise dispose of all or substantially all of its assets without providing the Authority with thirty (30) days notice in writing pursuant to Section 7.03 hereof. However, Participant may, without violating the provisions of this subsection, consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve.

(c) Participant has the power to execute and deliver and accept the terms of this Origination Agreement, to enter into the transactions contemplated by this Origination Agreement, and the acceptance and performance of this Origination Agreement have been duly authorized by all necessary corporate and other action.

(d) The execution and delivery of this Origination Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions hereof or any of the other documents contemplated hereby to which the Participant is a party, will not conflict with or result in any breach or violation of any of

the terms, conditions or provisions of any applicable laws, including regulations, or any agreement or instrument to which Participant is now a party or by which it is bound, or constitute a default under any of the foregoing.

(e) This Origination Agreement constitutes a valid and legally binding agreement among the parties hereto.

(f) Participant will not take any action or permit any action which is within its control to be taken which would impair the excludability from gross income for federal income tax purposes of interest on the Bonds.

(g) Participant (including any "related person" within the meaning of Section 147(a)(2) of the Code) shall not, pursuant to any arrangement, formal or informal, purchase Bonds in an amount related to the amount of Loans to be originated by Participant pursuant to this Origination Agreement.

(h) Participant is currently authorized to make Loans in the State.

(i) Except as otherwise waived, in writing, by the Authority in its sole discretion, Participant is and will at all times during the term of this Origination Agreement be a FHA/VA or Fannie Mae or GNMA or USDA Rural Development approved mortgage lender, as appropriate, or an approved seller of loans insured by FHA and/or VA and in good standing with FHA and/or VA and Fannie Mae or GNMA or USDA Rural Development, as appropriate, possessing without restriction all rights and privileges thereunder.

(j) Participant is in good standing under all prior programs of the Authority in which it has previously participated, if any.

(k) Participant will comply, with respect to each Loan, with all rules and requirements of the Program, Program Guide, all applicable FHA or VA or USDA Rural Development rules and regulations, the Fannie Mae Guide or GNMA Guide, as the case may be, all Rules and Regulations, the Code and all other agreements contemplated herein and therein.

(l) Participant shall promptly provide such information as reasonably requested by the Servicer including, without limiting the foregoing, such information as requested by the Servicers to enable Servicer to meet its reporting requirements under the Servicer Agreement.

(m) Participant shall immediately notify the Servicer and the Authority of any suspension or termination of powers to do business as

contemplated by this Origination Agreement, or any substantial changes in personnel of Participant's loan originating staff or administration.

(n) The Participant is aware and understands that the Authority may from time to time be required to withhold certain moneys for use only in areas designated as Targeted Areas in the Program Guide and/or require Loans to borrowers whose incomes are less than eighty percent (80%) of the applicable area median income to be submitted with Loans to borrowers whose incomes exceed eighty percent (80%) of the applicable area median income.

(o) Upon purchase of a Loan, the Participant shall transfer all servicing rights thereto to the Servicer and deliver to the Servicer (i) all moneys in its possession and all escrow funds and accounts pertaining to or in any way relating to the Loan; (ii) documents sufficient to enable the Servicer to service the Loan; (iii) documents evidencing compliance with all laws; and (iv) such other documents as may be requested by the Servicer, the Trustee or the Authority from time to time.

(p) The execution and delivery of this Origination Agreement and the performance and compliance with its terms by the Participant do not require the consent or approval of any governmental body, or if such consent or approval is required, it has been obtained.

(q) No litigation is pending or, to the best of Participant's knowledge, threatened against it with respect to this Origination Agreement or the consummation of the transactions contemplated hereby.

Section 2.02. Representations, Warranties and Covenants With Respect to Loans. The Participant hereby makes the following representations, warranties and covenants to the Servicer, Trustee and Authority as to each Loan. Each representation, warranty and covenant is deemed made as of the date of this Origination Agreement and thereafter as of each and every date Participant sells a Loan to the Servicer. The Servicer, Trustee and Authority shall be deemed to have conclusively relied on the representations, warranties and covenants, regardless of any independent investigation the Servicer, Trustee and Authority may have made or may thereafter make.

(a) The Loan, Mortgage File and the Mortgagor(s) shall conform in every respect to the requirements of the following:

(i) Origination Agreement;

- (ii) The Program Guide and the GNMA Guide or Fannie Mae Guide, whichever is applicable;
- (iii) Federal Housing Administration or Veterans Administration, as the case may be;
- (iv) USDA Rural Development Guaranteed Rural Housing Loan Program, if applicable;
- (v) Indiana Housing and Community Development Authority; and
- (vi) The applicable PMI Insurer.

(b) The Mortgage File, Uniform Mortgage Rider, FHA Mortgage Rider, FHA Loan Mortgage Addendum, Mortgage Note, Borrower's Closing Affidavit, Second Mortgage Loan and all documents related thereto have been duly executed by the Mortgagor(s) and create valid, subsisting and legally binding obligations of the Mortgagor(s). The Mortgage shall be duly acknowledged and recorded and shall be a valid and prior first lien on the Mortgaged Property securing the Mortgage Loan which is superior to all other liens or lien claims except for taxes and assessments not yet due and payable, the Second Mortgage shall be duly acknowledged and recorded and shall be a valid and prior lien on the Mortgaged Property securing the Second Mortgage Loan which is superior to all other liens or lien claims except only for the Mortgage Loan and taxes and assessments not yet due and payable.

(c) The Mortgage File, as transferred to the Servicer, shall be genuine and shall be in every respect the same documents which they purport to be.

(d) Participant shall be the sole owner of the Loan and shall have authority to sell, transfer, and assign the same on the terms set forth herein, and Participant shall not assign, sell, or hypothecate the Loan or Mortgage or Second Mortgage, as the case may be, except for the usual hypothecation in connection with Participant's normal banking transactions in the conduct of its business which hypothecation shall be fully released and canceled prior to the sale and transfer of the Loan by Participant to the Servicer.

(e) Neither Participant nor any prior holder of the Mortgage, Second Mortgage, as the case may be, has modified the Mortgage, Second Mortgage, as the case may be, in any material respect; satisfied, canceled, or subordinated the Mortgage, Second Mortgage, as the case may be, in whole or in part from the lien of the Mortgage, Second

Mortgage, as the case may be; or executed any instrument of release, cancellation, modification, or satisfaction of the Loan.

(f) Participant has not entered into any servicing agreement with respect to the Loan, nor is Participant or the Loan subject to any other contractual or governmental restrictions which would impair the ability of Servicer or its successors or assigns to service the Loans.

(g) The full principal amount of each Loan shall be advanced to the Mortgagor(s) either by payment directly to the Mortgagor(s) or by payment made on the Mortgagor(s) request or approval; all costs, taxes, fees, and expenses incurred in making and closing the Loan and in recording and assigning the Mortgage, the Second Mortgage, as the case may be, shall be paid; no part of the Mortgaged Property shall be released from the lien of the Mortgage, the Second Mortgage, as the case may be; the terms of the Loan shall in no way change or be modified; and all payments required under the terms of the Loan shall be current and not in default including, but not limited to, payments of principal and interest and escrow payments for taxes and hazard insurance.

(h) Each Mortgage Loan which is to be insured by the FHA, shall be in full compliance with all requirements of the FHA and shall be so insured by the FHA within sixty (60) days of purchase by the Servicer; the Participant shall be in compliance with the National Housing Act and all rules and regulations relating thereto as applicable; the full FHA Mortgage Insurance Premium has been paid; and that nothing has been done or omitted the effect of which would be to invalidate the contract of mortgage insurance with the FHA, and such insurance shall be valid and enforceable in accordance with its terms.

(i) Each Mortgage Loan that is to be insured by the VA shall be in full compliance with all requirements of the VA and the Participant shall take no action to invalidate such insurance or fail to take any action that could cause such insurance to be invalidated.

(j) Each Mortgage Loan that is to be guaranteed by the USDA Rural Development shall be in full compliance with all requirements of the USDA Rural Development Guaranteed Rural Housing Loan Program and the Participant shall take no action to invalidate such guaranty or fail to take any action that could cause such guaranty to be invalidated.

(k) With regard to escrow deposits for real estate taxes and hazard insurance, there are no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made, and no such escrow deposit shall be capitalized under the Mortgage or Mortgage Note, or the Second Mortgage or Second Mortgage Note, as the case may be.

(l) Participant shall comply with and observe any and all applicable laws, rules, regulations and executive orders of any federal, state and local governmental or regulatory body including, without limitation, the Federal Truth-in-Lending Act, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Flood Disaster Protection Act, and licensing laws, rules, or regulations regulating real estate lending; Participant shall furnish Servicer with evidence of compliance therewith if applicable upon Servicer's request.

(m) At origination, the Mortgaged Property shall be free and clear of all liens of the kind which are or could be prior to the lien of the Mortgage, Second Mortgage, respectively, and no rights shall be outstanding which under law would give rise to any such lien.

(n) All of the improvements which are included for the purpose of determining the appraised value of the Mortgaged Property shall be wholly within the boundaries and building restriction lines of such property, and no improvements on adjoining properties shall encroach upon the Mortgaged Property.

(o) The Mortgage Loan and the Second Mortgage Loan shall not be subject to any right of rescission, set-off, counterclaim or defense which could render the Mortgage Loan or the Second Mortgage Loan or their notes unenforceable.

(p) If an Eligible Borrower was a recipient of a Second Mortgage Loan and the Mortgage Loan is ineligible and the Master Servicer has required such Mortgage Loan to be repurchased by the Participant and the Participant received funding for the Second Mortgage Loan from the Authority, Participant must reimburse the Authority for the funds it received for the Second Mortgage Loan. If Participant fails to reimburse the Authority as set forth herein, the Authority shall have the right to take any or all of the actions set forth in Section 5.02 of this Origination Agreement.

(q) There shall be in existence a fully paid, valid and enforceable loan policy of title insurance issued by a title insurance company which has been approved by the Servicer that insures the Mortgage Loan and the Second Mortgage Loan, as applicable. Such title policy shall be for an amount that is at least equal to the original principal balance of the Mortgage Loan and the Second Mortgage Loan, as applicable. Said policy shall insure the Participant and any other party as may be required by FHA, VA, Fannie Mae, GNMA or USDA Rural Development, as the case may be, as their respective interests may appear, as to first priority of lien of the Mortgage in the amount of the original principal amount of the Mortgage Loan and as to second priority of the Second mortgage in the amount of the original principal amount of the Second

Mortgage Loan.

(r) The Participant agrees that that the Mortgaged Property acquired through the Program must be used by Mortgagor(s) as his or her (or their) primary residence and must be occupied by Mortgagor(s) within sixty (60) days of closing.

(s) The related Mortgage Note shall be payable on the first day of each month in self-amortizing equal monthly installments of principal and interest, with interest payable in arrears, providing for full amortization by maturity over an original term of 360 months. The Mortgage shall have a fixed interest rate for the term of the Mortgage Loan.

(t) All structures upon the Mortgaged Property shall be insured against loss by fire, hazards of extended coverage and such other hazards as are customary in the area where the Mortgaged Property is located, pursuant to fire and hazard insurance policies with extended coverage or other insurance required by the Program Guide in an amount equal to the greater of:

(i) The outstanding principal balance of the Mortgage Loan, or

(ii) Eighty percent (80%) of the replacement cost of the improvements constituting the Mortgaged Property.

Such insurance shall be issued by an insurer with an A. M. Best's financial rating of Class VI or better. All individual insurance policies shall contain a standard mortgagee clause naming the Servicer, and all successors and assigns as mortgagee, and Participant shall pay all premiums thereof.

In addition, if the Mortgaged Property is situated in a designated flood zone, there shall be in effect an appropriate national flood insurance program insurance policy.

(u) The real property shall be improved with a Single Family Residence.

(v) The assignment of the Loan from Participant to Servicer shall be valid and sufficient to assign to and perfect in Servicer all the Mortgagee's rights, title, and interest in and to the Loan. The Loan shall be freely assignable and transferable by Servicer and the sale and transfer of the Loan from Participant to Servicer shall be free and clear of any and all liens or encumbrances.

(w) All documents submitted by Participant pursuant to this

Origination Agreement and the Program Guide shall be genuine and original as required by Servicer; and all other representations by Participant as to each Loan shall be true and correct and shall meet the applicable requirements and specifications of the Program Guide, GNMA Guide, Fannie Mae Guide, PMI Insurer, FHA, VA, USDA Rural Development, the Authority and Servicer.

(x) There is no proceeding pending for the total or partial condemnation of the Mortgaged Property, and such property shall not be damaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado, or other casualty.

(y) At origination and as of date of purchase by Servicer, no improvement located on or consisting of a part of the Mortgaged Property shall be in violation of any applicable zoning law or regulation; all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Mortgaged Property, and with respect to the use and occupancy of the same, including, but not limited to, certificates of occupancy and fire underwriting certificates, shall have been made or obtained from the appropriate authorities; and the Mortgaged Property shall be lawfully occupied under applicable law.

(z) No circumstances or conditions shall exist with respect to the Mortgage, the Mortgaged Property, the Mortgagor, or the Mortgagor's credit standing that could be reasonably expected to cause the FHA, VA, USDA Rural Development, GNMA or Fannie Mae, as the case may be, to regard the Mortgage Loan as unacceptable, cause the Mortgage to become delinquent or adversely affect the value or marketability of the Mortgage Loan or the Second Mortgage Loan.

(aa) Participant shall repurchase any Loan subject to this Origination Agreement upon the terms and conditions hereinafter set forth if:

(i) Any misstatement of fact is discovered by Servicer or its representative or disclosed to Servicer or its representative by inspection by Servicer or its representative, or otherwise; or

(ii) Any applicable FHA or VA insurance or any USDA Rural Development Guaranty lapses as a result of any act or omission by Participant, or the failure by Participant to obtain such insurance or guaranty within the time period required by law, regulation or this Origination Agreement; or

(iii) If Servicer is required to repurchase any Mortgage Loan placed or pledged by Servicer in a GNMA Certificate or Fannie Mae Certificate due to a deficiency in or omission with respect to

the documents, instruments and agreements pertaining to the Mortgage Loan.

In addition, Participant shall repurchase any Loan (Mortgage Loan(s) and/or Second Mortgage Loan(s)) which go into to foreclosure where the cause of the delinquency commenced within the first nine (9) months after origination. The requirement for repurchase will be withdrawn only if Participant can provide, within thirty (30) days, evidence satisfactory to Servicer that the Loan was prudently underwritten and documented in accordance with Servicer, GNMA, Fannie Mae, USDA Rural Development Authority, VA, and FHA requirements.

Except as provided below, the repurchase price for any Loan that Participant is required to repurchase from Servicer shall be an amount equal to the then unpaid principal balance of the Loan plus accrued interest through the date of repurchase, plus any cost or expenses incurred by Servicer in connection with the repurchase.

If Servicer is required to repurchase a Mortgage Loan pledged or placed by Servicer in a GNMA Certificate or Fannie Mae Certificate for any of the reasons set forth above, the price to be paid by Participant to Servicer on repurchase of the Mortgage Loan by Participant shall be an amount equal to the sum Servicer was required to pay in order to repurchase the Mortgage Loan, plus accrued interest from the date of the repurchase of the Mortgage Loan by Servicer through the date of the repurchase of the Mortgage Loan by Participant plus any costs or expenses incurred by Servicer in connection with the transaction.

(bb) The Participant will consider all applications for Loans in the order which they are received on a fair and equal basis and will not reject an application because of the location and/or age of the property, and, in the case of a proposed Mortgagor, will not vary the terms of a Loan or the application procedures therefore, or reject a Loan applicant because of the race, color, religion, national origin, age, sex, sexual orientation or marital status of such applicant. Except as may otherwise be expressly provided in this Origination Agreement, the Participant shall not enter into any agreement or arrangement with any person, firm or corporation to prefer any applicant or group of applicants for Loans over any other applicant or group of applicants for such Loans. In accepting, evaluating and acting upon such applications, the Participant shall comply, if applicable, with the Federal Credit Opportunity Act and Regulation B promulgated thereunder. All applications for Loans and evidence of actions taken with respect thereto shall be retained by the Participant for three years from the date of the application.

(cc) Participant shall timely comply with the reporting requirements required by the Program Guide, the Fannie Mae Guide, the GNMA Guide, the Servicer Agreement and the Code.

Section 2.03. Representations, Warranties and Covenants With Respect to Second Mortgage Loans. Participant shall reimburse the Authority for any Second Mortgage Loan which was funded by the Authority that does not actually close. If Participant fails to reimburse the Authority as set forth herein, the Authority shall have the right to take any or all of the actions set forth in Section 5.02 of this Origination Agreement. Participant shall reimburse the Authority for any Second Mortgage Loan which was funded by the Authority where funds were issued for a Second Mortgage Loan but repairs or work on the Mortgaged Property were not completed.

Section 2.04. Representations, Warranties and Covenants With Respect to Inspections. Participant agrees to order one (1) third party inspection on behalf of the Authority for each Second Mortgage Loan originated by Participant through the Program and this Origination Agreement. Participant shall only select inspectors that are listed on the Authority's approved inspectors list to perform the inspections. Participant shall not order an inspection until a purchase agreement has been executed and the borrower has been approved as an Eligible Borrower. If Participant orders an inspection before the aforementioned requirements are not met, it may be required to reimburse the Authority for the inspection fees associated with the inspection. In accordance with FHA Mortgagee Letter 2004-04, Participant must advise the homeowner of the importance of obtaining an independent inspection for itself.

Participant understands that it is Participant's responsibility to order the inspections and that it cannot delegate the ordering of inspections to an interested third party (such as a realtor, broker, borrower, etc.). The inspectors have been instructed to submit invoices directly to IHCD for any inspection services rendered.

Section 2.05. Representations, Warranties and Covenants With Respect to Each Reservation Request. The representations, warranties and covenants provided in this Article II shall be deemed restated by the Participant upon making a Reservation Request with respect to such matters as they relate to each.

Section 2.06. Survival of Representations, Warranties and Covenants. It is understood and agreed that the representations, warranties and covenants set forth in this Origination Agreement shall survive and continue in force for the full remaining life of any Loan purchased by the Servicer notwithstanding a restrictive or qualified endorsement of any Mortgage or Second Mortgage Note, as the case may be, or any restrictive or qualified language contained in any assignment of Mortgage or Second Mortgage, as the case may be.

## ARTICLE III.

### OPERATION OF PROGRAM

Section 3.01. Acceptance of Participants. Upon the Authority's receipt of the non-refundable Registration Fee and acknowledgment of the receipt and approval of this Origination Agreement, which shall be indicated by the signature of a representative of the Authority on the signature page hereof, the Participant shall be accepted to serve as a participating originator of Loans under the Program.

Section 3.02. Loan Applications and Originations. The Participant agrees to use its best efforts to present information regarding the Program to any and all Eligible Borrowers and to use its best efforts to originate Loans for Eligible Borrowers in accordance with this Origination Agreement and the Program Guide.

Section 3.03. Reservation Requests and Reservation Fees. For each Loan or group of Loans which the Participant desires to originate and sell, the Participant shall make a Reservation Request pursuant to the procedures set forth in the Program Guide. The accepted Reservation shall constitute the Participant's agreement to originate the particular Loan(s) as soon as practicable pursuant to the procedures set forth in the Program Guide and the Fannie Mae Guide or GNMA Guide, as the case may be, and to deliver such Loan(s) for sale to the Servicer within ten (10) business days after the Loan is closed at a price equal to a specified percentage of the aggregate principal amount of such Loan(s) as established under the Program. The Participant agrees that prior to issuing a commitment for a Loan to an Eligible Borrower for the purchase of a Single Family Residence, the Participant shall have first received an accepted Reservation from the Authority with respect to the particular Loan.

SPECIFIC REFERENCE IS HEREBY MADE TO THE PROGRAM GUIDE. THE PROVISIONS OF THE PROGRAM GUIDE ARE INCORPORATED HEREIN BY REFERENCE AND ARE DEEMED TO BE A PART OF THIS ORIGINATION AGREEMENT.

Section 3.04. Servicer to Purchase and Service Loans. The Servicer has agreed to purchase the Loans from the Participant and to service such Loans as provided in the Program Guide, Servicer Agreement, Fannie Mae Guide, and GNMA Guide; provided, however, that the Servicer is not obligated to purchase Loans which are not current with respect to all payments required under such Loan, including, but not limited to, the payment of principal and interest and escrow payments for taxes and hazard insurance.

Section 3.05. Loan Terms and Procedures for Sale to the Servicer. Loans shall contain the terms and be subject to the requirements provided in

the Program Guide. The procedures applicable to origination of Loans and sale of Loans to the Servicer will be governed by this Origination Agreement and the Program Guide.

Section 3.06. Fees and Costs. In connection with each Mortgage Loan, the Participant may charge and collect a Reservation Fee as provided in and subject to the conditions of the Program Guide. In addition, the Participant may charge fees, as set forth in the Program Guide.

Section 3.07. Defective Documents and Non-Qualifying Mortgage Loans. The Program Guide shall provide the rules governing the duties of the Participant in connection with defective Loan documentation and Non-Qualifying Mortgage Loans. If the Participant has (a) delivered an improperly documented or Non-Qualifying Mortgage Loan; (b) failed to remain in compliance with any of the representations set forth in this Origination Agreement; or (c) breached any of the warranties or covenants set forth in this Origination Agreement, the Participant shall repurchase such Loan within five (5) days after receipt of a Request to Repurchase from the Servicer. The Repurchase Price shall be equal to (i) 100% of the principal remaining unpaid on such Loan, plus (ii) any premium paid by the Servicer when it purchased the Loan, plus (iii) accrued interest thereon, plus (iv) if such purchase is made necessary by reason of the negligence or error on the part of the Participant or by reason of the Participant's disregard for its obligations hereunder, an amount equal to one percent (1%) of the unpaid principal balance of such Non-Qualifying Mortgage Loan.

Section 3.08. Proceeds of Reservation Fee. The Reservation Fee submitted to the Authority by Participant in connection with a Reservation Request shall be retained by the Authority. If a Participant desires to cancel a Reservation Request after submission of a Reservation Fee, such cancellation shall be subject to the terms and conditions set forth in the Program Guide.

Section 3.09. Assignment of Origination Prohibited. Participant may not assign its rights and obligations to originate Loans pursuant to this Origination Agreement to any other person without the Authority's prior written consent.

## ARTICLE IV.

### PARTICIPANT

Section 4.01. Merger or Consolidation of Participant. Any entity into which the Participant may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which the Participant shall be a party, or any entity succeeding to the business of the Participant, shall be the successor of the Participant hereunder without the execution or filing of any document or instrument, or any further act on the part of any of the parties hereto, but this provision is not intended to be a consent to any such act to the extent it otherwise violates the terms of this Origination Agreement.

The Participant shall immediately notify the Authority in writing of any such merger, conversion or consolidation at its earliest opportunity. The Authority, in its sole discretion, may reject any successor as party to this Origination Agreement and thereby terminate this Origination Agreement except as to Participant's liability previously incurred hereunder.

Section 4.02. Participant To Assist Other Parties. The Participant and the Servicer shall each provide the Authority and each other with information, records or such assistance reasonably requested by the Authority or such other person, as the case may be, and otherwise cooperate with the Authority and each other as reasonably requested regarding activities contemplated under this Origination Agreement.

Section 4.03. Notifications. The Participant shall deliver to the Servicer copies of all reports, correspondence, statements, notices or other written communications of the Participant delivered to the Trustee or the Authority and required pursuant to this Origination Agreement at the time so delivered. The Servicer shall be entitled to rely upon such written communications of the Participant.

## ARTICLE V.

### EVENTS OF DEFAULT

Section 5.01. Participant Termination. Upon the occurrence of any one or more of the following events, the Authority or the Servicer may terminate this Origination Agreement with respect to the Participant as provided in Section 5.02 hereof and shall have the other remedies specified therein:

(a) Failure by the Participant to fully observe or perform in any respect any warranty, covenant, condition or agreement, or failure to remain in compliance with any representation in this Origination Agreement, the Program Guide, the Fannie Mae Guide or the GNMA Guide, as applicable.

(b) Failure by the Participant to timely comply with the reporting requirements required by the Program Guide, the Fannie Mae Guide, the GNMA Guide and the Code.

(c) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a trustee in bankruptcy, a conservator or receiver or liquidator in any solvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Participant.

(d) The Participant shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to the Participant or relating to the Participant or of or relating to all or substantially all of its property.

(e) The Participant shall admit its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

(f) The Servicer or Authority shall discover that any representation of or warranty by the Participant is false or misleading in any respect.

(g) The Participant submits one or more Non-Qualifying Mortgage Loans or improperly or inadequately documented Loans.

Section 5.02. Remedies. Whenever any event of default referred to in Section 5.01 hereof shall have happened and be continuing, the Authority or the Servicer with the Authority's consent, may take any one or more of the following remedial steps in addition to (and not in lieu of) any and all other remedies that may be available at law or in equity or by statute for the enforcement of the obligations of the Participant hereunder:

(a) By notice in writing pursuant to Section 7.03 hereof suspend the Participant from participating in the Program until any event of default is resolved. If Participant is suspended from the Program it will no longer be authorized to originate loans through the Program or receive funding for Second or First Mortgage Loans that close after the effective date set forth in the notice of suspension. Any such termination shall not release the Participant from liabilities incurred hereunder prior to suspension.

(b) By notice in writing pursuant to Section 7.03 hereof to the Participant, terminate all of the Participant's rights hereunder without liability to the Authority or Servicer. Any such termination shall not release the Participant from liabilities incurred hereunder prior to termination.

(c) Whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under this Origination Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Participant under this Origination Agreement.

Anything to the contrary notwithstanding, the representations, warranties and obligations of the Participant under this Origination Agreement made or incurred prior to any termination shall remain fully enforceable and shall survive any termination of this Origination Agreement.

Section 5.03. Servicer to Act; Appointment of Successor. At the time the Participant receives a notice of termination or suspension pursuant to Section 5.02, and until such time as the Authority shall designate a successor to the Participant with respect to the Loans to be originated hereunder, the Servicer shall succeed to all rights of the Participant hereunder. The Authority shall take such action, consistent with this Origination Agreement, as shall be necessary to effectuate any such succession. The Participant will cooperate with the Servicer and the Authority in effectuating any such succession.

Section 5.04. No Remedy Exclusive. 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 Origination Agreement or existing at law or in equity. No delay or failure to exercise any right or power accruing under this Origination Agreement 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 expedient.

Section 5.05. Agreement to Pay Attorneys' Fees and Expenses. In the event the Participant should fail to perform its obligations under any of the provisions of this Origination Agreement and the Authority or the Servicer should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Participant herein contained, the Participant agrees that it will pay or reimburse the Authority and the Servicer on demand the reasonable fees of their attorneys and all such other incurred expenses.

## ARTICLE

### VI.

## INDEMNITY

The Participant shall indemnify and hold harmless the Trustee, Servicer and Authority from any and all losses, damages, claims, liabilities or judgments or expenses (including, without limitation, court costs and reasonable attorneys' fees) suffered or sustained by them based upon or relating to any Loan originated by the Participant or any breach of the Participant's warranties, representations, covenants or duties hereunder.

## ARTICLE VII.

### MISCELLANEOUS PROVISIONS

Section 7.01. Access to Certain Documentation and Certain Information Regarding the Loans. The Participant shall provide, to the Trustee, the Authority and the outside auditors of the Authority, the Servicer, and their examiners and supervisory agents, access to the documentation regarding the Loans requested by them, such access being afforded without charge, upon reasonable request and during the normal business hours at the offices of the Participant.

Section 7.02. Other Amendments, Changes and Modifications. The Authority reserves the right to supplement and amend the provisions of this Origination Agreement and shall notify the Participant of any such supplement or amendment. Such supplements or amendments shall have the same force and effect as if originally contained in this Origination Agreement from and after the effective dates of such amendments.

Section 7.03. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered, when mailed by certified or registered mail, postage prepaid, return receipt requested, or when sent by e-mail addressed to the appropriate Notice Address. The Authority, the Servicer or the Participant may, by notice given hereunder, designate any further or different addresses to which subsequent notices shall be sent.

Section 7.04. Further Assurances and Corrective Instruments. To the extent permitted by law, the Authority, the Servicer and the Participant agree that each of them will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, such supplements hereto and such further instruments as may reasonably be required or appropriate to further express the intention of, or to facilitate the performance of, this Origination Agreement.

Section 7.05. Binding on Parties and Assigns; No Rights Conferred on Others. This Origination Agreement and all obligations and rights arising hereunder shall bind and inure to the benefit of the Authority, the Servicer and the Participant and their respective successors in interest. Consistent with

the foregoing, nothing in this Origination Agreement shall confer rights upon any person other than the Authority, the Servicer, the Trustee and the Participant.

Section 7.06. Governing Law. This Origination Agreement shall be construed in accordance with the laws of the State of Indiana, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws. The Participant hereby consents to the jurisdiction of the courts of Marion County within the State of Indiana for any proceeding in connection with this Origination Agreement.

Section 7.07. Severability. In the event any provision of this Origination 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.

Section 7.08. Limitation on Rights of Bondholders. No holder of the Bonds shall have any right to institute a suit with respect to this Origination Agreement except as provided in the Indenture or any Supplemental Indenture.

Section 7.09. Discretion of the Servicer. With respect to any disputes between the Servicer and the Participant which arise concerning the terms and provisions of this Origination Agreement, the meaning thereof, or decisions to be made thereunder, the judgment of the Servicer shall govern.

Section 7.10. Term of Origination Agreement. This Origination Agreement shall be in full force and effect from the date hereof and supersedes any previous mortgage origination agreement executed by the Participant, the Authority and the Servicer with respect to the Participants obligations with respect to any past or present Mortgage Loans originated by the Participant thereunder and shall continue in effect so long as any of the Bonds are outstanding or any Mortgage Loans purchased hereunder remain outstanding, whichever is longer, or until such earlier time as this Origination Agreement is terminated pursuant to Section 5.02 hereof.

Section 7.11. Miscellaneous. The headings used herein have been included for convenience of reference only, and shall be ignored in construing the provisions hereof. Unless the context requires otherwise, the use of any gender shall include all genders, and the singular shall include the plural, and vice versa. This Origination Agreement shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Origination Agreement.

Section 7.12. Trustee May Enforce. The Trustee may, and in the event of the Authority's failure to enforce shall, enforce the Authority's rights hereunder.

IN WITNESS WHEREOF, Participant, Master Servicer and the Authority have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed, all as of the day, month and year first above written.

"PARTICIPANT"

\_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Notice Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail: \_\_\_\_\_  
(REQUIRED FOR ACH NOTICE):

Bank Account no: \_\_\_\_\_

Routing no.: \_\_\_\_\_

Checking or Savings: \_\_\_\_\_

INDIANA HOUSING AND COMMUNITY  
DEVELOPMENT AUTHORITY (the  
"Authority")

By: \_\_\_\_\_

Printed: Sherry Seiwert

Title: Executive Director

Notice Address:

Indiana Housing and Community

Development Authority

30 South Meridian Street, Suite 1000

Indianapolis, Indiana 46204

E-mail: \_\_\_\_\_

"MASTER SERVICER"

\_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Notice Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail: \_\_\_\_\_