



HARDEST HIT FUND PARTICIPATION AGREEMENT

Between Alabama Housing Finance Authority (Eligible Entity) and _____ (Servicer)

The undersigned hereby confirm their mutual agreement on the following principles relating to the Servicer's participation in the Eligible Entity's Hardest Hit Fund (HHF) program:

1. Each Eligible Entity is responsible for the selection/qualification of borrowers to receive HHF funding; a Servicer will not be involved in the selection or marketing of the HHF program but may refer borrowers for consideration. Market is defined by items such as mass marketing communications, phone or email campaigns, customer mailings. Servicer may provide a borrower with the Eligible Entity website or phone number if they approach Servicer for modification assistance and do not qualify.
2. Servicers shall establish specific points of contact for HHF cases for the Eligible Entity. This includes call center and email provisions for the Eligible Entity. The Eligible Entity will also establish points of contact for Servicers.
3. Upon notification that a borrower has been conditionally approved for HHF, the Servicer shall not initiate the foreclosure process or, if the borrower is already in the foreclosure process, conduct a foreclosure sale for 45 days, with any extensions by mutual consent of the Eligible Entity and the Servicer.
4. All communication that includes borrower's Nonpublic Personal Information between the Eligible Entity and Servicer shall be through encrypted email, secure loan port or other similar secure electronic delivery system. In accordance with HUD, privacy, telemarketing, and information security laws, regulations, and guidelines, each party to this agreement agrees that it will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the other party, including, without limitation, appointing a manager or group to coordinate compliance with the confidentiality obligations herein, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (d) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards.
5. Where possible, there will be a defined automated and secure process to submit borrowers to the Servicer for workout consideration. There will be no cost of use for Servicer to access. Servicer will use secure e-mail and/or FTP site along with the common data file to transmit data back and forth between the Servicer and the Eligible Entity.
6. It is the Servicer's responsibility to obtain investor and mortgage insurer approval. Servicer may object to a particular transaction, in consultation with the Eligible Entity, for a limited set of reasons including fraud, bankruptcy restrictions, foreclosure status and prior history with the borrower. Servicer must provide documentation of the reason for rejection upon request by the Eligible Entity.
7. Not all borrowers that qualify for HHF will qualify for Home Affordable Modification Program ("HAMP") or other workout options; information about assisted borrower's workout status should be communicated by the Servicer to the Eligible Entity upon request.
8. Servicer will waive late charges or non-sufficient fund fees—all advances such as foreclosure or bankruptcy costs are payable by the borrower or investor.

9. Participation in the HHF program is voluntary and either party may terminate the agreement without cause on three days written notice.
10. The Eligible Entity must secure written authorization from each borrower to share information. Servicer must receive a copy of the signed authorization.
11. Program funds will only be applied towards principal, interest, taxes and insurance ("PITI"); funds may also be applied to attorney's fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked, and other fees and expenses if they are deemed an advance on behalf of the homeowner by the Servicer. Servicers will not apply HHF funds to homeowner association ("HOA") payments unless HOA payments have been escrowed and are included in the borrower's monthly PITI payment.
12. Non-escrowed loans will not be required to become escrowed for unemployment assistance; borrower will be responsible for payment of non-escrowed property-related expenses (e.g. property taxes and insurance).
13. As required by Treasury, Servicer will provide Eligible Entity with loan performance data for all borrowers who receive assistance as specified in the program term sheet through secured means for up to 12 months after assistance ends.
14. Servicer is responsible for timely application of Eligible Entity funds; Servicer shall hold the borrower and Eligible Entity harmless if payments are not applied timely. Servicer agrees to provide reports to document that funds were applied.
15. The Eligible Entity is responsible for continuing eligibility of the borrower for its HHF program and any related fraud detection. Servicer will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible unless such determination is based on erroneous information provided to the Eligible Entity by the Servicer.
16. Servicer should notify the Eligible Entity of any ongoing action against a borrower, including fraud-related activities, and if it has evidence that the property is non-owner occupied.
17. Servicer shall notify the Eligible Entity of any changes in monthly payment amount at least 30 calendar days prior to the change.
18. Where possible, the Eligible Entity will provide at least 30 days' notice before it will cease borrower payments to allow the Servicer time to evaluate the borrower for other loss mitigation options.
19. Servicer agrees that it is not authorized or empowered to determine and/or communicate to the homeowner eligibility for HHF foreclosure prevention programs. Eligible Entity agrees that it is not authorized or empowered to determine and/or communicate to the homeowner eligibility for foreclosure prevention programs of the Servicer. Eligible Entity retains sole authority for its program eligibility determination and communication to the homeowner and Servicer. Servicer will communicate with borrowers and Eligible Entity regarding modification and other Servicer-driven approvals.
20. Servicer shall and does hereby indemnify and hold harmless Eligible Entity from and against any and all claims, charges, losses, expenses and costs, including without limitation reasonable attorneys' fees, resulting from any claims, actions or proceedings in connection with the execution, delivery and performance of this Agreement, except for claims, charges, losses, expenses and costs resulting directly from the Eligible Entity's willful misconduct. The indemnification provided herein shall survive after the termination of Servicer's participation in HHF.
21. All covenants and agreements contained by or on behalf of Servicer shall bind Servicer's successors and assigns and shall inure to the benefit of the Eligible Entity and its successors and assigns. Servicer shall not, however, have the right to assign Servicer's rights under this Agreement or any interest therein, without the prior written consent of the Eligible Entity.
22. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement.

Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity, or enforceability of any other provision of this Agreement.

- 23. This Agreement will be governed by and construed in accordance with federal law and the laws of the State of Alabama, without regard to its conflict of laws principles.
- 24. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Dated this _____ day of _____, _____.

Alabama Housing Finance Authority

By: _____
Its: Executive Director
Date: _____

_____ (Servicer)
By: _____
Its: _____
Date: _____



SERVICER CONTACT INFORMATION

Please indicate in which of HHA's assistance programs you will be participating:

- Mortgage Payment Assistance (Unemployment/Underemployment)
- Loan Modification Assistance
- Short Sale Assistance

Please provide us with details of the dedicated primary and secondary contact for HHA:

Primary

Name: _____ Title: _____

Area of Responsibility: _____

Organization: _____

Address: _____

Phone: _____ Fax: _____

Email: _____ Office Hours: _____

Secondary

Name: _____ Title: _____

Area of Responsibility: _____

Organization: _____

Address: _____

Phone: _____ Fax: _____

Email: _____ Office Hours: _____

Return to Laronica Kryger at laronica@hardesthitalabama.com.

If you have any questions, please contact 877.690.6548.



AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS

- To sign up for EFT, TYPE OR PRINT the information requested in Sections 1 and 2. Then sign, date and return it to HHA.
- Any account changes must be reported to HHA ten (10) days prior to actual change.
- Payee must keep HHA informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

Section 1:

A. Company Individual HOA

B. TYPE OF TRANSACTION: Add Change Delete

NAME OF COMPANY: _____

C. ADDRESS: _____

CITY, STATE, ZIP: _____

COUNTY: _____ TELEPHONE: _____

D. FEDERAL TAX ID: _____

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Section 2:

A. FINANCIAL INSTITUTION: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

COUNTY: _____ TELEPHONE: _____

B. TRANSIT ROUTING/ABA NUMBER:

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C. ACCOUNT NUMBER AT ABOVE INSTITUTION:

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TYPE OF ACCOUNT: Checking Savings

D. PREFERRED METHOD OF REMITTANCE: ACH CHECK

- Whereby we authorize HHA to initiate credit entries to our account in the financial institution identified above and also debit entries, if necessary, for any credit entries that are determined to be in error.
- This authority is to remain in effect until revoked in writing to HHA.

Signature

Title

Type Name

Date

Do Not Write Below This Line — for HHA Use Only

Date Received

Date Entered

Initials