

## MORTGAGE ORIGINATION AGREEMENT

**THIS MORTGAGE ORIGINATION AGREEMENT** (this “Origination Agreement”) dated as of \_\_\_\_\_, 20\_\_ by and among the Maryland Community Development Administration (“CDA”), a unit in the Division of Development Finance in the Maryland Department of Housing and Community Development, a principal department of the State of Maryland (the “Department”) and \_\_\_\_\_ having its principal office at \_\_\_\_\_ (the “Mortgage Lender”).

### -PREAMBLE-

**WHEREAS**, pursuant to the Constitution and laws of the State of Maryland, particularly Title 2, Subtitle 4 of the Housing and Community Development Article of the Maryland Annotated Code (“the Act”), CDA is authorized to make or purchase residential mortgage loans or participations therein to families of limited income (as defined in the Act) and to purchase securities backed by mortgage loans as set forth in the Act;

**WHEREAS**, CDA expects to issue new money, tax-exempt bonds (the “Bonds”) (or otherwise make funds available) to obtain or make available funds to enable the CDA to finance certain qualified home mortgage loans (the “Mortgage Loans”) through the acquisition of fully-modified mortgage-backed pass-through securities (the “Mortgage Certificates”) issued on behalf of and guaranteed as to timely payment of principal and interest by the Government National Mortgage Association or issued by and guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation or Federal National Mortgage Association and evidencing participation interests in pools of Mortgage Loans originated under the Program (as defined herein), all in accordance with the laws of the State; and

**WHEREAS**, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excluded from gross income for federal income tax purposes if such issue meets certain requirements stated in the Code, including Sections 143, 146, 147, 148 and 149 of the Code, and in any applicable regulations; and

**WHEREAS**, CDA and the Mortgage Lender desire to enter into this Origination Agreement setting forth certain terms and conditions relating to the origination and sale from time to time of Mortgage Loans and DSELP Loans (defined herein) by the Mortgage Lender and the financing of such Mortgage Loans and DSELP Loans, as supplemented by Program Documents that contain information relating to specific provisions of the Program; and

**WHEREAS**, the Trustee will serve as trustee under one or more trust indentures ( collectively the “Indenture”), pursuant to which all right, title and interest of CDA in the Mortgage Certificates, the proceeds thereof, the GNMA Guaranty Agreement (as defined herein), the Pool Purchase Contract (as defined herein), as applicable, and all other amounts (with the exception of amounts held in the Costs of Issuance Account and the Rebate Account) held under the Indentures will be pledged to secure payment of the Bonds issued under those Indentures; and

**WHEREAS**, the Mortgage Lender agrees to sell without recourse, except as provided in this Origination Agreement, and, subject to the terms hereof, the Mortgage Loans to the Servicer; and

**WHEREAS**, CDA intends to establish general terms and conditions for the Mortgage Loans in this Origination Agreement, which shall be subject to amendment under the terms of the Program Documents.

**NOW, THEREFORE**, in consideration of the premises and of the mutual agreements contained herein, CDA and the Mortgage Lender agree as follows:

## **ARTICLE 1 -DEFINITIONS**

Section 1.1 Definitions. All words and phrases defined in this Article 1 (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified in this Article 1 for all purposes of this Origination Agreement. All forms specified by the text hereof or by reference to the Program Documents shall be substantially as set forth herein, subject to such changes as do not alter the substantive rights of the parties hereto or as may be required by applicable Laws hereafter enacted.

“Acquisition Cost” means the total cost (excluding settlement costs and expenses) of acquiring an Eligible Residence as a completed residential unit, computed in the manner prescribed in the Buyer's Affidavit.

“Act” means Sections 4-101 through 4-255 of the Housing and Community Development Article of the Maryland Annotated Code, as amended, and any applicable regulation published in the Code of Maryland Regulations.

“Assignment of Deed of Trust Note and Deed of Trust” means the assignment of all the right, title and interest in a Deed of Trust Note and Deed of Trust to be executed by a Mortgage Lender for each Mortgage Loan assigned to the Servicer pursuant to this Origination Agreement on a form acceptable to FHA, VA, or USDA-RHS, Fannie Mae, Freddie Mac or GNMA, as applicable.

“Bond” or “Bonds” means the Bonds as previously described in the Preamble to this Origination Agreement.

“Borrower” or “Eligible Borrower” means one or more legally competent borrowers who satisfy the following conditions:

(1) The Income of the borrower's Household at the time of application with the Mortgage Lender does not exceed the applicable maximum established by the Secretary of the Department in accordance with the Act and described in the Program Documents;

(2) For acquisition Mortgage Loans, the Borrower may not own any real property except as permitted in the Program Documents;

(3) For an acquisition Mortgage Loan, the Borrower must intend to occupy the Eligible Residence as his or her principal residence within 60 days after the settlement of the Mortgage Loan (unless CDA permits otherwise) and permanently after that; and for a refinance loan allowed under the Program Documents, the Borrower must occupy the Eligible Residence as his or her principal residence at settlement and permanently after that; and

(4) The Borrower may not have available cash assets sufficient to obtain financing in the current unassisted private lending market without the assistance afforded by the Program, as determined by CDA and set forth in the Program Documents; and

(5) The Borrower meets any other requirements set forth in the Program Documents, which may include modifications to the requirements in paragraphs (1)-(4) for different types of Mortgage Loans offered under the Program.

“Business Day” means any day of the week other than Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which banking institutions are authorized or obligated to close by Law or executive order.

“Buyer's Affidavit” means the affidavit or affidavits, in the forms prescribed by CDA, completed by a Borrower for a Mortgage Loan, as set forth in the Program Documents.

“Certificate of Compliance Agent” means the certificate of the Compliance Agent and described in the Program Documents.

“Closing” means the origination and funding by a Mortgage Lender of a Mortgage Loan pursuant to Article 3 of this Origination Agreement.

“Closing Date” means the date of any Closing.

“Code” means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds or the Mortgage Loans.

“Compliance Agent” initially means CDA or any successor to CDA. Thereafter, the Compliance Agent may be any other entity designated by CDA, with the consent of the Servicer, which consent shall not be unreasonably withheld.

“Compliance Agent Fee”, applicable only if Servicer or other entity serves as Compliance Agent, would mean the fee paid to the Compliance Agent in the amount set forth in the Program Documents, paid by each Seller or Borrower at closing and then remitted by the Mortgage Lender to the Servicer.

“Conventional Mortgage Loan” means a Mortgage Loan without GMI that may be required to have PMI as set forth in the Program Documents.

“Deed of Trust” means a deed of trust, mortgage deed, mortgage or other instrument creating a first lien (except as otherwise permitted by CDA) on:

(1) a fee interest in real property located in the State (including an interest in a condominium unit pursuant to Maryland law); or

(2) real property located in the State held under a perpetually renewable lease or a lease pursuant to which the lessor has no greater rights, except as to term, than the rights of a lessor pursuant to a perpetually renewable lease and which has an unexpired term at least 10 years greater than the term of such deed of trust, mortgage deed, mortgage or other instrument; or

(3) such other interest permitted under the Program Documents. A Deed of Trust must include all appropriate riders in the Mortgage Lender's standard form, which instrument shall be the then-effective form required for GMI or PMI, as applicable, with such modifications as may be required

by the terms of this Origination Agreement and Program Documents, with such modifications as may be required by the terms of this Origination Agreement and Program Documents.

“Deed of Trust Note” means a Note evidencing indebtedness, which Note is secured by a Deed of Trust, payable to the order of a Mortgage Lender executed by an Eligible Borrower to evidence such Eligible Borrower's obligation to repay the Mortgage Loan in the form provided in the Program Documents and, upon Purchase, endorsed and assigned to the Servicer.

“DSELP Loan” means a subordinated loan for down payment and closing costs:

- (1) funded by the Department or CDA; and
- (2) made to a borrower eligible for a DSELP Loan in an amount not to exceed the amount set forth in a commitment letter to the borrower and containing terms described in the Program Documents.

“Early Payment Default” means the circumstance set forth in the Participating Lender Agreement or the Program Documents.

“Eligible Residence” means residential housing that:

- (1) meets the criteria of the Act, the Regulations and the applicable Program Documents; and
- (2) the Acquisition Cost of which does not exceed the Maximum Acquisition Cost.

“Escrow Payments” means any payments made in order to obtain or maintain GMI or PMI coverage and fire and other hazard insurance with respect to Mortgage Loans, and any payments required to be made with respect to Mortgage Loans for ground rent, taxes, other governmental charges, and other similar charges customarily required to be escrowed as described in the Program Documents.

“Existing Residence” means a Residence which has been previously occupied.

“Fannie Mae” means Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America, or any successors or assigns.

“Fannie Mae Certificate” means, with respect to a Program, a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security, issued by Fannie Mae in book-entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Fannie Mae and backed by conventional or government insured or government guaranteed Mortgage Loans in the related Fannie Mae Pool.

“Fannie Mae Guides” means the Fannie Mae Selling and Servicing Guides, as amended from time to time, and as modified by the Fannie Mae Pool Purchase Contract between Fannie Mae and the Servicer.

“Fannie Mae Pool” means, with respect to a Fannie Mae Certificate, the pool of Conventional Mortgage Loans represented by such Fannie Mae Certificate.

“FHA” means the Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

“FHA Insurance” means all products that provide FHA mortgage insurance unless otherwise notified by CDA.

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States of America.

“Freddie Mac Act” means the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459.

“Freddie Mac Certificate” means, with respect to a Program, a guaranteed mortgage pass-through Freddie Mac Participation Certificate, issued by Freddie Mac in book-entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Freddie Mac and backed by conventional or government insured or government guaranteed Mortgage Loans in the related Freddie Mac Pool.

“Freddie Mac Guide” means the Freddie Mac Single Family Seller/Servicer Guide, as amended from time to time, the Master Agreement between Freddie Mac and the Servicer, if applicable, and the other documents defined in the Freddie Mac Single Family Seller/Servicer Guide as the “Purchase Documents,” which includes the Freddie Mac Pool Contract.

“Freddie Mac Pool” means, with respect to a Freddie Mac Certificate, the pool of Mortgage Loans represented by such Freddie Mac Certificate.

“GMI” means governmental mortgage insurance or guaranty issued by a Governmental Insurer and providing primary mortgage insurance or guaranty of all or a portion of a Mortgage Loan.

“GNMA” means the Government National Mortgage Association, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act, as amended, or any successor thereto.

“GNMA Certificate” means a certificate purchased by the Trustee, issued by the Servicer and guaranteed by GNMA pursuant to GNMA's GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based on and backed by Mortgage Loans referred to in the GNMA Guaranty Agreement.

“GNMA Commitment” means one or more Commitments to Guarantee Mortgage-Backed Securities issued by GNMA to the Servicer now or hereafter in effect pursuant to which GNMA agrees to guarantee GNMA Certificates to be issued by the Servicer within one year of the date of the GNMA Commitment.

“GNMA Guaranty Agreement” means the one or more Guaranty Agreements between the Servicer and GNMA now or hereafter in effect pursuant to which GNMA guarantees GNMA Certificates.

“GNMA Guide” means the GNMA I and/or GNMA II Mortgage-Backed Securities Guide in effect on the date of execution of this Origination Agreement and as may be amended from time to time by GNMA.

“GNMA Pool” means a Mortgage Pool held in connection with a GNMA Certificate. The term “GNMA Pool” shall include Mortgage Pools consisting of Mortgage Loans.

“Governmental Insurer” means FHA, VA, RHS, and any other governmental insurer or guarantor that meets the requirements of GNMA, Fannie Mae or Freddie Mac.

“Household” means an individual or individuals who occupy or intend to occupy:

- (1) The eligible residence, in the case of a single family residence; or
- (2) one of the units in the eligible residence, in the case of a two to four unit residence.

“HUD” means the United States Department of Housing and Urban Development.

“Income” means income as defined in the Program Documents for the applicable type of Mortgage Loan and includes the sources of income described in the Program Documents.

“Interest Rate” means the rate or rates of interest specified by CDA in the Program Documents.

“Issuer” means CDA, its successors and assigns.

“Laws” means all applicable statutes, laws, ordinances, regulations, orders, writs, injunctions or decrees of the United States or any state or any tribunal thereof.

“Lender Manual” means the manual or manuals prepared by the Servicer and CDA, and established pursuant to this Origination Agreement for the origination and delivery of Mortgage Loans to be purchased by the Servicer and the eligibility, credit, and security underwriting standards applicable thereto, and for servicing of Mortgage Loans included in a Mortgage Pool as may be amended from time to time by the Servicer and CDA with the written consent of each, which consent shall not be unreasonably withheld.

“Loan Delivery Package” means the documents listed in the Program Documents, pertaining to a particular Mortgage Loan which shall be sent to the Servicer.

“Loan-to-Value Ratio” means the ratio of the original principal amount of a Mortgage Loan to the lesser of the appraised value or the purchase price of a Residence as set forth in the Program Documents.

“Maximum Acquisition Cost” means the Maximum Acquisition Cost for an Eligible Residence as described in the Program Documents.

“Mortgage Certificate” means, collectively, a Fannie Mae, Freddie Mac or GNMA Mortgage Certificate backed by Mortgage Loans originated pursuant to this Origination Agreement.

“Mortgage File” means the documents listed in the Program Documents which shall be sent to the Compliance Agent for its approval with respect to each Mortgage Loan.

“Mortgage Lender” means an approved bank, trust company, savings institution, savings and loan association, national banking association, mortgage banker or other financial institution that maintains an office in the State and engages in making or originating “residential mortgage loans,” as defined in the Act, that meets the requirements set forth in the Regulations and has been approved by CDA; and any insurance company that is authorized to transact business in the State, that meets the requirements set forth in the Regulations, and has been approved by CDA. The Mortgage Lender must be able to make the warranties and covenants contained in Section 2.2 hereof.

“Mortgage Lender’s Application” means the application to originate Mortgage Loans under the Program.

“Mortgage Loan” means a permanent loan:

(1) secured by a Deed of Trust for the purchase of owner-occupied Eligible Residence made to a Borrower by an originating Mortgage Lender which is offered for purchase to or is purchased by the Servicer pursuant to this Origination Agreement and will be pooled into a Mortgage Certificate; and

(2) evidenced by a Deed of Trust and a Deed of Trust Note. This definition may be amended or supplemented from time to time in the Program Documents to include other type of Mortgage Loans.

“Mortgage Loan Purchase Deadline” means the last day on which the Servicer may purchase a Mortgage Loan from a Mortgage Lender as stated in the Program Documents.

“Mortgage Pool” means with respect to a Mortgage Certificate, the pool of Mortgage Loans the beneficial ownership of which is represented by such Mortgage Certificate.

“Newly Constructed Residence” or “Newly Constructed Single Family Residence” means a Residence which has never been occupied prior to occupancy by the Borrower who acquires such Residence and Residence is less than 12 months old.

“Notice Address” means:

(a) As to CDA:

Maryland Community Development Administration  
7800 Harkins Road  
Lanham, MD 20706  
Attention: Director, Single Family Programs

(b) As to Mortgage Lender:

At the address set forth in the  
Mortgage Lender's Application

“Notice to Borrower of Potential Recapture Tax” means the notice described in the Program Documents.

“Officer” means any duly authorized officer of the Mortgage Lender involved in, or responsible for, the origination, sale or servicing of the Mortgage Loans, whose name appears on a list furnished to CDA, by a Mortgage Lender, as such list may be amended from time to time.

“Origination Agreement” means this Mortgage Origination Agreement among CDA and the Mortgage Lender.

“Origination Period” means the period during which the Mortgage Lender may originate and close Mortgage Loans, which Origination Period shall extend from the date of this Origination Agreement until otherwise extended, amended, or terminated in writing by CDA.

“Participating Lender Agreement” means that the loan purchase and origination agreement, designated by the Servicer, executed on or before the origination of any Mortgage Loans by a Mortgage Lender by and between the Servicer and such Mortgage Lender.

“PMI” means private mortgage insurance or guaranty issued by a non-GMI and providing primary mortgage insurance or guaranty of all or a portion of a Mortgage Loan.

“Pool Contract” or “Pool Purchase Contract” means a contract or similar agreement by and between the Servicer and Fannie Mae/Freddie Mac relating to the sale or pooling by the Servicer of Conventional Mortgage Loans.

“Pool Documentation Package” means those documents listed in the Program Documents.

“Program” means CDA’s Program to provide financing for owner-occupied residences, as set forth in and implemented through the Program Documents.

“Program Directive” means a written notice, instruction, authorization or interpretation issued by CDA with respect to the Program, the Program Documents, and this Origination Agreement.

“Program Documents” means, with respect to the Program, collectively, this Mortgage Origination Agreement, any Program guidelines, Lender Manuals, Participating Lender Agreement, servicing guidelines, Program Directives, Fannie Mae Guide, Freddie Mac Guide, GNMA Guide, and delivery and fee schedules for Mortgage Loans, as amended and supplemented from time to time.

“Purchase” means the purchase of a Mortgage Loan from a Mortgage Lender pursuant to Section 3.5 of this Origination Agreement.

“Purchase Date” or “Mortgage Purchase Date” means the date of any Purchase as set forth in the Program Documents.

“Purchase Price” means with respect to a Mortgage Loan paid by the Servicer to the Mortgage Lender as set forth in the Program Documents.

“Real Estate Tax Service Charge” means the fee paid by the property seller for the purpose of obtaining real estate tax information and shall be in the amount set forth in the Program Documents.



“Regulations” means CDA's Single Family Program Regulations, COMAR 05.03.02, as amended from time to time.

“Reservation Procedures” means CDA's written procedures for obtaining reservations of funds under the Program for the purchase by the Servicer of Mortgage Loans from the Mortgage Lender, as amended from time to time, which are included in the Program Documents.

“Reservation Request” means the form of reservation the Mortgage Lender must use to reserve Program funds. The Mortgage Lender must submit reservations for Program funds through the on-line reservation system. A fully ratified sales contract is required prior to submitting the Reservation Request.

“Residential Housing” or “Residence” means a single family owner-occupied dwelling located within the State that qualifies for financing by CDA within the meaning of the Act, this Origination Agreement, Section 143 of the Code and related regulations.

“RHS” means the Rural Housing Service of the United States Department of Agriculture -Rural Development. “RD” or “RHS” means the Rural Development Service (formerly the Rural Economic and Community Development), an agency within the United States Department of Agriculture, or other agency or instrumentality created or chartered by the United States of America to which the powers of the Rural Development Service have been transferred.

“RHS Guaranteed” means guaranteed by RHS.

“RHS Guaranty” means a guaranty by RHS.

“Seller's Affidavit” means the affidavit or affidavits, in the forms prescribed by CDA, completed by the seller of an Eligible Residence that is sought to be acquired with the proceeds of a Mortgage Loan.

“Servicer” means U.S. Bank National Association, a national banking association and its successors or assigns; or any entity designated by CDA in the Program Documents including designating CDA as the Servicer.

“Servicing Agreement” means the Program Administration and Servicing Agreement between CDA and the Servicer.

“State” means the State of Maryland.

“Targeted Area” means any of the areas that meet the criteria of the federal Internal Revenue Code, 26 U.S.C. Section 143(j), as amended from time to time, including certain areas of chronic economic distress, all of which targeted areas are identified by CDA in the Program Documents.

“Targeted Area Loan” means a Mortgage Loan to finance the acquisition of an Eligible Residence located or to be located in a Targeted Area.

“Tax-Exempt Financing Rider” means the rider required by the Program Documents and to be recorded with the Deed of Trust.

“Title Policy” means a mortgagee policy of title insurance with the broadest coverage prescribed by the State written by a title insurance company, in form and containing such endorsements approved by the State showing title to the mortgaged Residence vested in the Borrower and insuring the lien of the

Deed of Trust as a first, prior and paramount lien upon said Residence subject only to Permitted Encumbrances and to standard exceptions described in the Program Documents. “Trustee” means Manufacturers and Traders Trust Company (together with its successors in trust, the “Trustee”), a banking organization with trust powers organized under the laws of the state of New York with a corporate trust office located in Baltimore, Maryland.

“VA” means the Veterans Administration of the United States of America or any successor to its functions.

“VA Guaranteed” means guaranteed by the VA under the Serviceman's Readjustment Act of 1944, as amended.

“VA Guaranty” means a guaranty by the VA under the Serviceman's Readjustment Act of 1944, as amended.

### Section 1.2 Interpretation.

(a) In this Origination Agreement, unless the context otherwise requires:

(1) the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Origination Agreement, and the term “heretofore” means before and the term “hereafter” means after the date of this Origination Agreement;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include the plural number and vice versa;

(3) words importing persons mean and include words importing firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) any heading preceding the texts of the several Articles and Sections of this Origination Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Origination Agreement, nor shall they affect its meaning, construction or effect; and

(5) this Origination Agreement shall be governed by and construed in accordance with the applicable Laws of the State.

(b) Nothing in this Origination Agreement, expressed or implied, is intended or shall be construed to confer upon, or to give to any person, other than CDA, the Mortgage Lender, the Servicer, and the Compliance Agent, any right, remedy or claim under or by reason of this Origination Agreement, or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of CDA shall be for the sole and exclusive benefit of CDA, the Mortgage Lender, the Servicer, and the Compliance Agent.

(c) If any covenant or agreement provided herein on the part of CDA, the Compliance Agent, , or the Mortgage Lender to be performed should be contrary to Law, then such covenant or agreement shall be deemed separable from the remaining covenants and agreements hereof, and shall in no way affect the validity of the other provisions of this Origination Agreement.

Section 1.3 Forms and Reports. Each form and/or report referred to herein shall be in the form described in the Program Documents, unless otherwise required by the Servicer and CDA. All such forms and reports are incorporated herein and constitute a part of this Origination Agreement.

## **ARTICLE 2 -REPRESENTATIONS AND WARRANTIES**

Section 2.1 Representations, Warranties and Covenants of CDA. CDA represents and warrants to, and covenants with, the Mortgage Lender:

(a) CDA is a unit in the Division of Development Finance of the Maryland Department of Housing and Community Development, validly existing under the Act and the Laws of the State. CDA is in compliance with all the provisions of the Constitution and Laws of the State including the Act, and has full power and authority to consummate all transactions, execute all documents and issue all instruments contemplated by this Origination Agreement.

(b) The financing of Mortgage Loans under the terms of this Origination Agreement to finance the purchase by Eligible Borrowers of Eligible Residences will further and fulfill the purposes of the Act.

(c) The execution and delivery hereof by CDA, the issuance of the Bonds by CDA in the manner contemplated by the Indenture and the performance of and compliance with the terms hereof and of the Indenture by CDA will not violate:

(1) the instruments creating CDA or governing its operations in any respect; or

(2) any Laws in any respect which could have any material adverse effect whatsoever upon the validity, performance or enforceability of any of the terms of this Origination Agreement.

(d) Following execution hereof, CDA proposes to issue the Bonds, and upon issuance the proceeds thereof will be applied according to the terms and conditions specified in the Indenture.

Section 2.2 Representations, Warranties and Covenants of the Mortgage Lender.

(a) Each Mortgage Lender represents and warrants to, and covenants with, CDA that as of the date of execution of the Agreement, as of any Mortgage Purchase Date, and at all times that it is originating or attempting to originate Mortgage Loans for sale to the Servicer under the Program:

(1) The purchase by the Servicer of Mortgage Loans under the Program is conditioned upon the compliance by the Mortgage Lender with all requirements set forth in this Origination Agreement and upon the undertakings, representations, and the existence now and in the future of the state of facts set forth in this Section 2.2. The Mortgage Lender represents and warrants that such state of facts will be true and correct at the times set forth below and agrees that these representations and warranties survive the purchase of such Mortgage Loans.

(2) The Mortgage Lender is duly organized, validly existing and in good standing under the Laws governing its creation and existence and is duly authorized and qualified to transact in the State any and all business contemplated hereby, possesses all requisite authority, power, licenses, permits and franchises to conduct its business and to execute, deliver and comply with obligations under the terms hereof, and has duly authorized the execution and delivery hereof by all necessary action. In particular, the Mortgage Lender presently has the requisite power and authority to originate mortgage loans in the State of Maryland.

(3) In the performance of this Origination Agreement the Mortgage Lender:

(i) has not discriminated or permitted discrimination against any individual or group of individuals on the grounds of sex, race, color, marital status, family status, age, religion, or national origin, or in any other manner prohibited by the laws of the United States or the State; and

(ii) has made Mortgage Loans within such Mortgage Lender's normal lending area available on a first-come, first-served basis to Eligible Borrowers.

(4) The Mortgage Lender:

(i) is a "mortgage lender" within the meaning of the Act, having an origination branch office located at the Maryland address provided in writing to CDA with this Agreement, or at the address in Maryland of which the Mortgage Lender has sent written notice to CDA within 30 days of the change of such address;

(ii) is in compliance with all other applicable State and federal laws, rules and regulations governing the business of the Mortgage Lender and the making of loans for residential housing.

(5) At all times since the execution of this Origination Agreement, the Mortgage Lender has processed applications for Mortgage Loans, and has originated each Mortgage Loan, in compliance with all applicable State and federal laws, rules, and regulations.

(6) The Mortgage Lender is not a party to or bound by any existing agreement or instrument or subject to any existing charter or other corporate restriction or any existing judgment, order, writ, injunction, decree, law, rule, or regulation which now or in the future may materially and adversely affect the ability of the Mortgage Lender to perform its obligations under this Origination Agreement.

(7) This Origination Agreement has been duly authorized, executed, and delivered on behalf of the Mortgage Lender and constitutes valid and binding obligations of the Mortgage Lender enforceable against it in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally.

(8) No parent entity, subsidiary, or affiliate of the Mortgage Lender is participating as a Mortgage Lender for the Program or CDA except as and to the extent approved in writing by CDA.

(9) The execution and delivery of this Origination Agreement by Mortgage Lender and compliance with the terms hereof by it does not:

(i) violate the instruments creating Mortgage Lender or governing its operations or any Laws to which the Mortgage Lender is subject;

(ii) constitute a material default (or an event which, with notice or lapse of time, or both, would constitute a material default) under any agreement to which Mortgage Lender is a party or which may be applicable to Mortgage Lender or any of its assets; or

(iii) require the consent or approval of any governmental authority not heretofore obtained.

(10) Mortgage Lender will, during the term of this Origination Agreement, 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, the state of its organization and of the State and will not dissolve or otherwise dispose of all or substantially all of its assets. If Mortgage Lender shall consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entity and thereafter dissolve (each, a "Transfer Event"), Mortgage Lender shall provide CDA and Servicer with written notice of such Transfer Event within 30 days of the Transfer Event, which notice shall include evidence that the surviving, resulting or transfer entity, as the case may be, shall be subject to the supervision and examination of the State or federal authorities, as may be applicable, and shall assume in writing all of the obligations, representations and warranties of Mortgage Lender hereunder (in the case of a sale of all or substantially all of Mortgage Lender's assets), and CDA shall release Mortgage Lender in writing, concurrently with and contingent upon such assumption, from, all liability hereunder).

(11) This Origination Agreement, and all documents and instruments contemplated hereby, which are executed and delivered by the Mortgage Lender, will constitute valid, legal and binding obligations of the Mortgage Lender, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by applicable debtor relief Laws.

(12) The Mortgage Lender shall be, at the time of the origination by the Mortgage Lender of any FHA Insured Mortgage Loan, VA or RHS Guaranteed Mortgage Loan under the Program, and at all times thereafter so long as the Mortgage Lender shall continue to serve in the capacity contemplated under the terms of this Origination Agreement, an FHA-approved direct endorsement lender, a VA or RHS-approved Mortgagee and, in any case, shall originate Mortgage Loans in accordance with the FHA, VA or RHS guidelines and the Fannie Mae, Freddie Mac and GNMA Guides as applicable.

(13) The Mortgage Lender will comply:

(i) with respect to each FHA Insured Mortgage Loan, with the National Housing Act of 1934, as amended, with all rules and regulations issued thereunder and with all applicable administrative publications;

(ii) with respect to each VA or RHS Guaranteed Mortgage Loan, with all rules and regulations issued thereunder and with all administrative publications;

(iii) with respect to each FHA Insured Mortgage Loan and VA or RHS Guaranteed Mortgage Loan, as determined as of the date of each Purchase hereunder, with all the requirements of the GNMA Guide and the "Representations, Warranties, and Covenants of the Mortgage Lender" set forth in this Section 2.2.;

(iv) with respect to any PMI insured Mortgage Loan, with all the requirement of the PMI, Fannie Mae and Freddie Mac as applicable; and

(v) with any and all applicable Laws governing or regulating the origination of mortgage loans, including, but not limited to, any applicable “truth in lending” or disclosure Laws.

(14) Notwithstanding any other provision of this Origination Agreement, under no circumstances shall this Origination Agreement or the relationship between CDA and Mortgage Lender created thereby be construed as creating a fiduciary relationship between CDA and Mortgage Lender or as granting to or creating in Mortgage Lender any legal or equitable interest, right or title in or to any funds or accounts created under the Indenture.

(15) Mortgage Lender shall promptly notify CDA, the Compliance Agent, and the Servicer of any suspension or termination of powers to do business as contemplated by this Origination Agreement.

(16) No information, statement or report furnished in writing to CDA, the Servicer or Compliance Agent by the Mortgage Lender in connection with the negotiation of or performance under this Origination Agreement and the consummation of the transactions contemplated hereby contains or will, to the knowledge of the Mortgage Lender, contain any untrue statement of a material fact or omit a material fact necessary to make the information, statements or reports in light of the circumstances under which they were made, not misleading and all documents furnished by the Mortgage Lender in connection with the servicing of Mortgage Loans comply with federal and State Laws where applicable.

(17) The Mortgage Lender shall indemnify and hold harmless CDA, and the Compliance Agent and their officers, directors and employees and agents against any liability for all claims, causes of action, reasonable costs and expenses (including attorney’s fees), judgments, fines and penalties which may be related to or arise out of any violation of Law or breach of this Origination Agreement by the Mortgage Lender or any of the Mortgage Lender's obligations under any of the Program Documents resulting from an act or omission of the Mortgage Lender's hereunder.

(18) The Mortgage Lender:

(i) shall have been approved by the Servicer; and

(ii) shall have executed a Participating Lender Agreement in the form satisfactory to the Servicer and be currently performing its obligations thereunder.

(19) In the event of any acquisition, merger, or name change affecting the Mortgage Lender, the Mortgage Lender shall promptly notify the Servicer and CDA, and shall comply with the requirements of CDA for amendment of this Origination Agreement, and any recertification of the Mortgage Lender, or cancellation of this Origination Agreement as deemed appropriate by CDA in its sole discretion.

(20) The Mortgage Lender has not suffered or permitted:

(i) to be entered a decree or order of a court or agency or supervisory authority having jurisdiction in the premises determining the Mortgage Lender to be insolvent or providing for the appointment of a conservator, receiver, liquidator, trustee or any similar party for any reason, including without limitation, insolvency, readjustment of debt, marshalling of assets and

liabilities, bankruptcy, reorganization or similar proceedings of or relating to the Mortgage Lender or of or relating to all, or substantially all, of its property, or for the winding-up or liquidation of its affairs; or

(ii) proceedings under any law relating to bankruptcy, insolvency or the reorganization or relief of debtors to be instituted against it, and such proceedings remain undismissed and unstayed for a period of 20 days.

(21) The Mortgage Lender has not:

(i) consented to the appointment of a conservator or receiver or trustee or liquidator for any reason, including without limitation, insolvency, readjustment of debt, marshalling of assets and liabilities, bankruptcy, reorganization or similar proceedings of or relating to the Mortgage Lender or of or relating to all, or substantially all, of its property or for the winding-up or liquidation of its affairs;

(ii) admitted in writing its inability to pay its debts generally as they become due;

(iii) filed a petition, or otherwise instituted or consented to the institution against it of, proceedings to take advantage of any law relating to bankruptcy, insolvency or reorganization or the relief of debtors;

(iv) made an assignment for the benefit of its creditors; or

(v) suspended generally payment of its obligations.

(22) The Mortgage Lender recognizes that CDA is obligated to make moneys available out of the lendable proceeds of its Bonds to finance Mortgage Loans for Eligible Residences located within Targeted Areas. CDA may therefore require in the Program Documents that the Mortgage Lender use its best efforts to issue commitments for, make, and sell Targeted Area Loans to the Servicer.

(23) Closing costs, fees, and charges, of whatever kind or nature, which the Mortgage Lender may collect from any applicant for a Mortgage Loan, any borrower, the seller of the property, or any other person shall not exceed the aggregate of:

(i) the actual amounts expended for usual and reasonable settlement costs and fees as permitted in the Program Documents (to the extent any of these charges are normal and customary in the making of residential mortgage loans); and

(ii) the actual amounts paid as principal of or interest on the Mortgage Loan or escrowed for taxes, assessments, hazard and casualty insurance, and mortgage insurance premiums. No amount paid under (i) or (ii) may exceed the amount that would have been expended or paid for such items if the Mortgage Loan were not assisted under the CDA Program. The Mortgage Lender may not receive, directly or indirectly, any other points, fees, charges, or other remuneration of any kind in processing an application for a Mortgage Loan or in making any Mortgage Loan, unless specifically authorized by the CDA in the Program Documents.

(b) The Mortgage Lender represents and warrants that for each Mortgage Loan as of each Mortgage Purchase Date:

(1) The original principal balance, the term, and the interest rate for each Mortgage Loan are accurately stated on a form delivered to the CDA specifying the information required in the Program Documents.

(2) No counterclaim, offset, defense or right of rescission exists or, to the best of the Mortgage Lender's information and belief, is threatened which can be asserted and maintained by the mortgagor or his successor in interest against the Servicer or CDA, as assignee of the Mortgage Loan.

(3) All parties to the Mortgage Loan had full legal capacity to execute all Mortgage Loan documents and the Mortgage Loan is:

(i) evidenced by a properly executed Deed of Trust Note made payable or assigned to the order of the Mortgage Lender and duly endorsed by the Mortgage Lender to the Servicer as described in the Program Documents and Section 3.1 of this Origination Agreement; and

(ii) secured by a Deed of Trust; which documents are the legal, valid and binding obligations of the makers and are enforceable in accordance with their terms, except only as such enforcement may be limited by laws affecting the enforcement of creditors' rights generally.

(4) Title to the Mortgage Loan shall pass to the Servicer at the time of purchase by the Servicer.

(5) Each Deed of Trust, financing statement, if any, and any other document required to be filed in a public office to perfect the Deed of Trust lien against third parties has been duly and timely filed, registered, or recorded by the Mortgage Lender or the settlement agent in the proper public office.

(6) The Mortgage Lender is the sole owner and holder of the Mortgage Loan and has full right to sell and assign the Mortgage Loan to the Servicer, and such assignment conveys good and marketable mortgagee's title to the Servicer free and clear of all liens and encumbrances and subject only to real property taxes and assessments not yet due and encumbrances customarily accepted in accordance with applicable title standards and disclosed to the Servicer before the Mortgage Purchase Date.

(7) The Mortgage Loan is not subject to any existing assignment or pledge other than the assignment to the Servicer.

(8) The Deed of Trust creates a valid and subsisting first lien to secure the Mortgage Loan, unless otherwise permitted by CDA and the Servicer under the Program Documents.

(9) The Deed of Trust is the subject of a paid-up mortgagee title insurance policy written on the standard American Land Title Association form of mortgage title insurance acceptable to the Servicer issued by a title insurer acceptable to the Servicer in an amount at least equal to the original principal amount of the Mortgage Loan, insuring that the Deed of Trust constitutes a first lien, subject only to liens for taxes and assessments not yet due and payable and Permitted Liens and Encumbrances on the real property with respect to which the Mortgage Loan is secured. As used herein, "Permitted Liens and Encumbrances" means liens, encumbrances, reservations, easements and other imperfections of title normally acceptable to the issuer of the GMI or PMI, if any, insuring the Mortgage Loan and to prudent mortgage lenders, or which, in the sole judgment of the Servicer, shall not materially impair the use or value of the premises or for which appropriate steps, in the judgment of the Servicer, have been taken to secure the interest of the Servicer and CDA. The benefits of such title insurance policy, upon



purchase of the Mortgage Loan by the Servicer hereunder, inure to the benefit of the Servicer and its successors and assigns.

(10) The Mortgage Lender has not modified in any respect and has not satisfied, canceled, subordinated or compromised in whole or in part the Mortgage Loan indebtedness and has not released the mortgaged property in whole or in part from the lien of the indebtedness evidenced by the Deed of Trust Note and secured by the Deed of Trust (or other instruments evidencing indebtedness and security), and the terms, covenants and conditions of the Deed of Trust Note evidencing each Mortgage Loan and the Deed of Trust securing it have not been waived, altered or modified in any respect which would affect the validity or enforceability of the Deed of Trust Note or the Deed of Trust, the prospect of prompt payment of the Mortgage Loan or the security of the lien of the Deed of Trust.

(11) If the Mortgage Loan was made to finance the purchase of a newly constructed housing unit, the builder has warranted all materials, workmanship, and mechanicals under a warranty acceptable to the Governmental Insurer or private mortgage insurer insuring the Mortgage Loan.

(12) There is no default or delinquency under the terms and covenants of the Mortgage Loan; no payments are, as of the Mortgage Purchase Date, past due and unpaid under the Mortgage Loan; the first payment of the Mortgage Loan, if purchased by the Servicer prior to the due date of the first payment, will not be past due and unpaid; all costs, fees and expenses incurred in making, closing, recording and assigning the Mortgage Loan have been paid; within the three month period preceding the submission of the Mortgage Loan by the Mortgage Lender for purchase by the Servicer, there has not been outstanding any advance of funds by the Mortgage Lender to or on behalf of the mortgagor to be used by the mortgagor for the payment of any monthly installment of principal, interest, or other charges payable under the Mortgage Loan; the Mortgage Loan has never been more than 45 days in arrears; and the initial premium for any applicable GMI or PMI has been paid.

(13) At the time of closing of the Mortgage Loan, no proceeding for a total or partial condemnation of the mortgaged property was pending, and the property has sustained no damage by fire, windstorm or other casualty to an extent that would materially adversely affect the value of the mortgage property, and the Mortgage Lender is not aware of any change in such circumstances from the time of such closing to the date of purchase of the Mortgage Loan by the Servicer.

(14) The improvements on the mortgaged property:

(i) have been fully completed, except as otherwise permitted by the Program Documents; and

(ii) are covered, to the extent required by local law, by a validly issued certificate of occupancy.

The mortgaged property is free and clear of all mechanics' and materialmen's liens which could materially adversely affect the value of the mortgaged property. To the best of Mortgage Lender's knowledge, no rights are outstanding that could give rise to such liens. The mortgaged property is free from all other liens, encumbrances, restrictions and covenants which would materially adversely affect the value of the mortgaged property.

(15) The survey and title policy for the Mortgage Loan are in compliance with the Program Documents.

(16) The Mortgage Lender has no knowledge of any circumstances or conditions with respect to the Mortgage Loan and the Deed of Trust, or the mortgaged property, or the mortgagor or the mortgagor's credit standing that can be reasonably expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment at the purchase price paid by the Servicer, cause the Mortgage Loan to become delinquent, or adversely affect the value or marketability of the Mortgage Loan.

(17) The Mortgage Loan meets all applicable State and federal laws, rules and regulations. The relevant requirements of any State or federal laws, rules, or regulations respecting or governing usury, consumer credit, truth-in-lending, consumer protection, and real estate lending have been complied with in connection with the Mortgage Loan; and no right of rescission of the Mortgage Loan transaction (or basis therefor) exists (unless expressly permitted under the Program Documents).

(18) The Mortgage Lender has no knowledge that the mortgaged property or the use of the mortgaged property is in violation of any applicable zoning law, rule or regulation, any applicable property restriction, or any applicable law, rule, or regulation relating to the protection of the environment.

(19) In connection with the placement of the title insurance pertaining to the Mortgage Loan and the fire and other hazard insurance pertaining to the property securing the Mortgage Loan, to the best of the Mortgage Lender's knowledge and belief, no unlawful fee, commission, kickback, or other unlawful compensation or value, of any kind, has been or will be received, retained, or realized by any attorney, firm, or other person or entity, and no such unlawful items have been received, retained, or realized by the Mortgage Lender.

(20) The Mortgage Lender has complied with all requirements of the:

(i) Federal Real Estate Settlement Procedures Act of 1974, as amended by the Real Estate Settlement Procedures Act Amendments of 1975, and any further amendments; and

(ii) Regulation X, as amended, and any other applicable regulations in effect at the time the Mortgage Loan was originated.

(21) The improvements upon the real property subject to each Mortgage Loan are covered by a valid and existing policy of insurance meeting the requirements of the Program Documents.

(22) The Mortgage Lender has complied with the provisions of the policy of Pool Insurance (as defined in the Program Documents), if required, and any required PMI or GMI.

(23) (i) The Mortgage Lender has assisted in the completion of, obtained, and examined with reasonable care the Buyer's Affidavit and any applicable Seller's Affidavit, and any confirming affidavits, and the other documents required in the Program Documents, has made suitable inquiry of the affiant about the information contained in them, and has compared such information with the information contained in the appraiser's report. Based upon these actions, unless permitted by the Servicer and CDA as provided in the Program Documents, no facts have come to the attention of the Mortgage Lender that would lead the Mortgage Lender to believe that:

1. the Eligible Residence is not located in the State;
2. the Acquisition Cost of the Eligible Residence exceeds the applicable Region Limit, whether by virtue of its location, prior occupancy, reasonably anticipated

additions or completions or its inclusion of space, land or outbuildings intended for any trade or business use or land in excess of that reasonably necessary to maintain its basic livability; or

3. the Borrower does not intend to occupy the Eligible Residence as the mortgagor's principal residence within 60 days after the settlement of the Mortgage Loan; or

4. except in the cases of a Targeted Area Loans or as may be permitted otherwise by the Code and CDA, any of the Borrowers fail to qualify as an Eligible Borrower by virtue of the existence of a "present ownership interest" in a principal residence; or

5. any mortgagor will use all or any portion of the Eligible Residence, including the land and any outbuildings, for any trade or business use, unless preapproved by the Servicer and CDA; or

6. unless expressly permitted under the Program Documents, any portion of the Mortgage Loan is intended to be used to refinance an existing loan or to finance the purchase of a residence in violation of this Origination Agreement; or

7. a Mortgage Loan fails to comply with applicable federal tax law requirements as specified in the applicable Program Documents.

(ii) In connection with paragraph (23)(i)4. above:

1. the Mortgage Lender has obtained from each individual who has a title interest in the Residence copies of such individual's federal income tax returns or acceptable alternative documentation as specified in the Program Documents for the three calendar years preceding the date on which the Mortgage Loan was closed (or the Mortgage Lender has no reasonable grounds to believe that such individual's Buyer's Affidavit was incorrect if it represents that the individual in question was not required to file a federal income tax return for such calendar year or years) and none of such federal income tax returns or alternative documentation shows any deduction claimed for taxes or interest on indebtedness with respect to any real property; and

2. in connection with paragraph (23)(i)2. above, the Mortgage Lender has no reason to believe that any payments in kind made to or for the benefit of the seller of the Eligible Residence in connection with its purchase or that any items required to be added to or deducted from the sales contract price in computing the Acquisition Cost of the Eligible Residence have not been fairly valued or estimated in the contracts attached to the Buyer's Affidavit.

(24) Each Mortgage Loan complies with the terms and conditions set forth in this Origination Agreement.

(25) In the opinion of the Mortgage Lender, based on its knowledge of the prevailing terms and standards of mortgage lending in the area in which the mortgaged premises are located, the mortgagor could not obtain a mortgage loan for the mortgaged property in the unassisted private lending market.

### **ARTICLE 3 -COMMITMENT TO BUY AND SELL**

#### **Section 3.1 Origination and Sale.**

(a) Subject to the terms and conditions hereof, the Mortgage Lender agrees to use its best efforts to originate and sell Mortgage Loans to the Servicer, without recourse (except as provided herein), and, in exchange therefor, the Servicer will pay the Purchase Price to the Mortgage Lender. All Mortgage Loans must have been closed, submitted to and approved by the Servicer for purchase by the end of the Origination Period. The Mortgage Lender should refer to the Reservation Procedures, set forth in the Program Documents, for procedures with respect to Reservation Requests for Mortgage Loans.

(b) Mortgage Lender acknowledges that as a condition of purchase of a Mortgage Loan by the Servicer, the Mortgage Loan shall (i) be current in payments of principal and interest and (ii) be in compliance with the requirements of FHA, VA, RHS, PMI, and the Fannie Mae, Freddie Mac, and GNMA Guides and the Program Documents, as applicable, and approved by the Compliance Agent for requirements of the Code and Act.

(c) It is understood and agreed that CDA will not provide interim construction financing in connection with Newly Constructed Residences.

(d) Mortgage Lender shall be permitted to originate Mortgage Loans and sell such Mortgage Loans to the Servicer from the first day of the Origination Period through the last day of the Origination Period. The Servicer has no obligation to purchase Mortgage Loans from a Mortgage Lender unless such Mortgage Loans meet the requirements set forth herein. All Mortgage Loans must be current as to payments of principal, interest, taxes and insurance at the time of purchase by the Servicer. After the Mortgage Lender has closed a Mortgage Loan the Mortgage Lender shall, within the time period specified in the Program Documents, deliver to the Servicer the documents described in the applicable checklist in the Program Documents. The Mortgage Lender hereby warrants that all permitted copies will be true and accurate copies of the respective original documents and instruments. The Servicer shall review such documents and instruments and shall return to the Mortgage Lender in accordance with the Program Documents, for appropriate curative action, any such documents or instrument which is defective in any material respect. The delivery to the Servicer of the original executed Deed of Trust, Deed of Trust Note, and the related Assignment of Deed of Trust Note and Deed of Trust shall be made by Mortgage Lender to the Servicer in the following manner:

(1) the Deed of Trust Note shall bear the endorsement set forth on the back thereof Payable, without recourse, to the order of "NAME OF SERVICER." or designee of any successor Servicer and be executed by a duly authorized officer of the Mortgage Lender; and

(2) together with the Assignment of Deed of Trust Note and Deed of Trust, or a true and correct copy of such executed Deed of Trust and Assignment of Deed of Trust Note and Deed of Trust and assurance that the originals thereof have been delivered for recording in the land records of the appropriate Maryland county sufficient to constitute the Servicer's ownership of the Deed of Trust and Deed of Trust Note.

The Mortgage Lender shall further perform any other action or deed as the Servicer may reasonably direct to cause the proper filing or recording of the Assignment of Deed of Trust Note and Deed of Trust in such other places and in such other manner, form or condition reasonably satisfactory to perfect the Servicer's interest in each such Deed of Trust and Deed of Trust Note.

Section 3.2 Origination Terms. The Mortgage Lender may collect from the Borrower or the seller of a Residence the fees in the amounts specified in the Program Documents. The Mortgage Lender will sell the Mortgage Loans to the Servicer for the amount specified in the Program Documents. At the time of the sale of the Mortgage Loan to the Servicer, all reasonable and customary charges described in the Program Documents must have been paid. The purchase price of the Mortgage Loan and amount of fees to compensate the Mortgage Lender shall be set under the Program Documents.

Section 3.3 Mortgage Loan Terms.

(a) Mortgage Loans shall be made only to Eligible Borrowers for the purpose of providing financing for the purchase of an Eligible Residence, and not for the purpose of refinancing any existing loan other than construction period loans, bridge loans, or similar temporary financing having a stated maturity date within 24 months after the date the loan was closed unless otherwise permitted under the Program Documents.

(b) Each Mortgage Loan must be secured by a first priority Deed of Trust lien on the Single Family Residence, and all Mortgage Loans must be made substantially in accordance with Mortgage Lender's then current underwriting policies and the underwriting policies of FHA, VA, RHS, or PMI, as applicable, and the requirements established by this Origination Agreement and the then current criteria set forth in the Fannie Mae, Freddie Mac, or GNMA Guides, as applicable. Each Mortgage Loan must be the subject of FHA Insurance, VA Guaranty, RHS Insurance, or PMI insurance and shall conform in all respects to the eligibility and credit underwriting standards as applicable.

(c) The Mortgage Loans shall:

(1) have interest rates, terms, payment schedules, payment dates and escrow accounts in accordance with the Program Documents;

(2) be assumable only under the terms and conditions set forth in Section 3.8 of this Origination Agreement and the Program Documents;

(3) be the subject of a Title Policy or the valid commitment for the issuance of a Title Policy; and

(4) comply in all respects to the Fannie Mae, Freddie Mac, and GNMA Guides and FHA/VA/RHS rules and regulations and the Program Documents, as applicable.

With respect to (2), each FHA Insured Mortgage, VA or RHS Guaranteed Mortgage, shall have attached a non-assumption and/or acceleration provision in the form described in the Program Documents.

Additionally, the Notice to FHA Buyers, Notice to Veterans, or Notice to RHS Buyer (as defined in the Program Documents) must be used in connection with the origination of FHA Insured Mortgage Loans, VA or RHS Guaranteed and Mortgage Loans, respectively. A copy of the executed Notice to FHA Buyers, Notice to Veterans, must accompany the application for insurance, Form HUD 92900, and must be included in the Loan Delivery Package.

Section 3.4 Prohibition of Discrimination. Except as provided herein, a Mortgage Lender shall not enter into any agreement or arrangement with any person, firm or corporation to prefer any applicant or group of applicants for Mortgage Loans over any other applicant or group of applicants for such loans and will consider all applications for Mortgage Loans in the order in which they are received by the

Mortgage Lender and on a fair and equal basis and will not arbitrarily reject an application because of the location and/or age of the property, or in the case of a proposed Borrower, arbitrarily vary the application procedures or reject a proposed Borrower because of race, color, religion, national origin, age, sex or marital status. In accepting, evaluating and acting upon such applications, the Mortgage Lender shall comply, if applicable, with the federal Equal Credit Opportunity Act and Regulation B promulgated thereunder. All applications for Mortgage Loans and evidence of actions taken with respect thereto shall be retained by each Mortgage Lender in accordance with applicable State and federal law.

Section 3.5 Mortgage Loan Submission.

(a) Prior to the Closing of any Mortgage Loan (and with respect to proposed construction, prior to the commencement of construction), the Mortgage Lender shall submit the required documents, if any, in accordance with the Program Documents. After the Closing of any Mortgage Loan and prior to the Purchase Date, the Mortgage Lender shall deliver the Compliance Fee if applicable and the documents relating to each Mortgage Loan to the appropriate party or parties as directed by the Program Documents to determine whether the Mortgage Loan may be purchased by the Servicer. The Mortgage Lender shall pay all costs of preparing and delivering the Mortgage File or parts of the Mortgage File to the Compliance Agent, CDA, and the Servicer. Documents listed in the Mortgage File shall be reviewed and approved by the Compliance Agent prior to the Purchase of any Mortgage Loan and in accordance with the Program Documents. Any Mortgage Loan with respect to which said documents are deemed to be defective will be returned to the Mortgage Lender to be cured, if possible. The examination of said documents by either Compliance Agent, CDA or Servicer hereunder shall not constitute a waiver of any warranty, representation or covenant by the Mortgage Lender or the Borrower with respect to any Mortgage Loan. The Mortgage Lender acknowledges that it is responsible for review of the credit of the Borrower and all requirements of FHA, VA, RHS, PMI and Fannie Mae, Freddie Mac and GNMA, as applicable, and that the Compliance Agent shall review the Mortgage Loan for purposes of determining eligibility of the Mortgage Loan pursuant to the Code and the Act.

(b) The Purchase of Mortgage Loans hereunder shall take place on each Purchase Date. Only Mortgage Loans submitted in accordance with this Section 3.5 and which conform to the requirements of this Origination Agreement and the Program Documents will be purchased by the Servicer on any Purchase Date. On the Purchase Date, in exchange for the Mortgage Loan, the Servicer shall deliver the Purchase Price to the Mortgage Lender and deliver any late fees imposed by the Servicer with respect to such Mortgage Loan to CDA. Each Mortgage Lender shall also provide to CDA, the Servicer and Compliance Agent and the Trustee such other reports or information regarding the Mortgage Loans being sold by such Mortgage Lender as may be reasonably requested of any of them.

(c) Servicer has no obligation to purchase a Mortgage Loan unless the Mortgage Lender has received a reservation for such Mortgage Loan as described in the Reservation Procedures and such Mortgage Loan is eligible for inclusion in a Mortgage Certificate. All Mortgage Loans must be current at the time of purchase by Servicer. After Mortgage Lender has closed the Mortgage Loan, Mortgage Lender shall deliver the Loan Delivery Package to the Servicer within the time period set forth under the Program Documents. Mortgage Lender hereby warrants that all permitted copies will be true and accurate copies of the respective original documents and instruments. Servicer will review such documents and instruments within the time periods set forth under the Program Documents and will promptly return to Mortgage Lender, for appropriate curative action, if any, pursuant to Section 3.7 hereof, any such document or instrument which is defective in any material respect.

(d) The Purchase of each Mortgage Loan shall take place on the Purchase Date at the office of the Servicer or at such other place as may be mutually agreeable to the Servicer and the Mortgage Lender. Mortgage Lender shall pay all costs and expenses incurred in preparing and furnishing to the Compliance Agent and the Servicer the original and certified copies of the respective documents and instruments required herein.

(e) All Escrow Payments and the Real Estate Tax Service Charge collected by Mortgage Lender with respect to a Mortgage Loan prior to the Purchase of such Mortgage Loan shall be held by Mortgage Lender in escrow until the Purchase. As of the Purchase Date, all such Escrow Payments shall be forwarded by Mortgage Lender to the escrow account established by Servicer as if such amount had been received subsequent to Purchase, and the Real Estate Tax Service Charge shall be forwarded by Mortgage Lender to the Servicer to be used to obtain real estate tax information on the property subject to the Mortgage Loan.

(f) Upon the submission of the Loan Delivery Package to Servicer, Mortgage Lender shall submit to Servicer all additional documents required by the GNMA Guaranty Agreement and otherwise requested by Servicer for purposes of submission of the Pool Documentation Package to Fannie Mae, Freddie Mac, or GNMA, as applicable. A list of the Pool Documentation Package is provided in the Program Documents.

Mortgage Lender may not originate loans under this Origination Agreement unless such loans are eligible under the Program Documents including being eligible for pooling in a Mortgage Certificate.

Section 3.6 Maintenance of Mortgage Loan Documents. Each Mortgage Lender shall maintain a file with respect to Mortgage Loans, containing the documents listed in the Loan Delivery Package, (or copies thereof where the original is in the Servicer's file), with respect to each Mortgage Loan purchased from it by the Servicer until at least three years after the date the Mortgage Loan is fully paid or otherwise terminated. An electronic or imaged copy of the document is acceptable.

Section 3.7 Defects.

(a) Following the Purchase of any Mortgage Loan, and notwithstanding the review of the Mortgage File or the Loan Delivery Package pursuant to Section 3.5 hereof any of the following shall be considered and referred to as a "Defect", if:

(1) any document constituting a part of the Mortgage File, in the sole judgment of the Servicer or CDA, is defective or inaccurate in any material respect;

(2) any such closing document is not valid and binding;

(3) (i) any representation or warranty of the Mortgage Lender, in the sole judgment of the Servicer or CDA, is untrue or incorrect in any material respect; or

(ii) any representation or warranty of the Mortgage Lender with respect to documents submitted to the Compliance Agent, in sole judgment of CDA is untrue or incorrect in any material respect;

(4) the Servicer or the Servicer's assigned agent fails to approve the Pool Documentation Package as a result of any breach by the Mortgage Lender of any representation or warranty contained in this Origination Agreement;

(5) the Borrower fails to make the first payment due under the Mortgage Loan or the first payment due thereon after the Purchase Date if this requirement was specified in the Participating Lender Agreement or Program Documents for a particular type of Mortgage Loan prior to origination;

(6) an Early Payment Default shall have occurred if this requirement was specified in the Participating Lender Agreement or Program Documents for a particular type of Mortgage Loan prior to origination;

(7) the Servicer, because of any defect which is attributable to the Mortgage Lender, is required to repurchase or withdraw any Mortgage Loan from a Mortgage Pool; or

(8) in the discretion of the Servicer, the Mortgage Lender fails to fulfill the requirements of Section 2.2 hereof.

If a Defect occurs, the Mortgage Lender shall cure the Defect within a period of 60 days or such shorter period as may be required by Law or the Program Documents. Any provision contained herein relating to the sole judgment of the Servicer or CDA shall be subject to a good faith requirement.

(b) If any Defect cannot be cured within such 60 day period, or such shorter period if applicable,

(1) the Mortgage Lender will, not later than 90 days after the time it receives notice of the existence of the Defect as to a Mortgage Loan with an outstanding principal balance, purchase the related Mortgage Loan from either CDA or the Servicer as directed by CDA, more than two

(2) Business Days prior to the end of the month in which the Mortgage Loan is repurchased at an amount equal to:

(i) the product obtained by multiplying (x) the unpaid principal amount of the Mortgage Loan by (y) the applicable Purchase Price percentage shown in Program Documents, as the case may be; plus

(ii) accrued and unpaid interest through the end of the month in which the Mortgage Loan is purchased by the Mortgage Lender; and

(2) the Mortgage Lender will indemnify and hold harmless CDA, Servicer, and the Compliance Agent for any loss, forfeiture, penalty, damage or expenses (including reasonable attorneys' fees incurred by them with respect to the defective Mortgage Loan); provided, however, that for the purpose of this Section 3.7, the falsity of a representation by a Borrower respecting some fact or facts which:

(i) the Mortgage Lender is entitled to rely upon under the provisions of this Origination Agreement;

(ii) is relied upon by the Mortgage Lender in good faith; and

(iii) does not cause the Mortgage Loan to fail to qualify as a Mortgage Loan under the Program, shall not be deemed a Defect unless the Mortgage Lender has knowledge or reason to know that such representation by Borrower is untrue.

(c) The repurchase amount of the Mortgage Loan being purchased shall be remitted by the Mortgage Lender to the Servicer and thereupon the Mortgage Loan will be removed from the related Mortgage Certificate. The Servicer is irrevocably appointed as CDA's agent and attorney-in-fact to



execute and deliver such instruments of transfer or assignment, in each case with recourse, as shall be necessary to vest in the Mortgage Lender such Mortgage Loan. Mortgage Lender hereby waives any statute of limitations or other Law that might otherwise be raised in defense to any Mortgage Loan repurchase obligation hereunder.

(d) Servicer will cooperate to the extent permitted by GNMA, Fannie Mae or Freddie Mac, as applicable, in removing any defective Mortgage Loan from the related Mortgage Pool. CDA and Servicer will also mutually cooperate to have a Mortgage Lender repurchase a defective Mortgage Loan. To the extent permitted under the related Mortgage Certificate and in addition to any other rights of CDA, CDA may elect to:

- (1) purchase a defective Mortgage Loan from a Mortgage Pool and pursue a claim against a Mortgage Lender; or
- (2) pursue a claim against a Mortgage Lender for a defective Mortgage Loan.

Section 3.8 Assumption Agreements; Transfers Subject To.

(a) A Borrower may transfer his Residence to any person purchasing the Residence subject to the Mortgage Loan only:

- (1) if such a transfer is permitted and eligible under the Program Documents;
- (2) the Servicer has consented to the transfer and the Compliance Agent has approved the transfer; and
- (3) the transferee is eligible and executes all documents required by the Program Documents.

(b) Upon any transfer of a Residence which has the effect of causing a Mortgage Loan to cease to be a qualified Mortgage Loan, the Servicer shall exercise the “due on sale” clause of the Mortgage.

Section 3.9 DSELP and other CDA Subordinate Loans: The requirements for reservation, origination, terms, delivery, purchases and reimbursements for DSELP loans or other types of CDA subordinate loans will be specified in the Program Documents.

**ARTICLE 4 -REQUIREMENTS TO CLOSE MORTGAGE LOAN AND TRANSFER**

Section 4.1 Closing Requirements. The Mortgage Lender represents and warrants to the Servicer that on or prior to the Closing Date, each Mortgage Loan shall have the following:

(a) A hazard insurance policy (providing fire and extended coverage, including wind damage, with an inflation adjustment provision) on the mortgaged property issued by a company:

- (1) qualified to do business in the State; and
- (2) approved by or acceptable to the PMI or GMI, as applicable.

(b) If the Residence is located in an area having special flood hazards, as identified by the Secretary of HUD, flood insurance shall be maintained in the amount equal to the lesser of the

outstanding principal balance of the Mortgage Loan or the insurable value, but never less than the amount sufficient to prevent application of any co-insurance clause;

(c) Each Mortgage Loan (and all other documents in connection therewith, except the required appraisal) satisfies all applicable requirements set forth herein and in the Program Documents;

(d) Each Mortgage Loan will be made by the Mortgage Lender at the price set under the Program Documents, will be secured by a Deed of Trust which shall constitute a first mortgage lien on a Single Family Residence occupied by Borrower as such Borrower's permanent place of residence and will be located within the boundaries of the State, will be made substantially in accordance with Mortgage Lender's then current standard underwriting policies, the underwriting standards set forth in Program Documents, and the requirements established hereby, subject to acceptance of insurer under the FHA Insurance, VA or RHS Guaranty or requirements of the PMI, will be made for the purpose of purchasing or providing permanent financing for such Residence and not for the purpose of refinancing any existing loan (except a construction period loan, a bridge loan or similar temporary initial financing which has a term of 24 months or less and that is acceptable to CDA), will have substantially level payments due the first day of each month, will have an original term of 360 months, will be made to an Eligible Borrower, as Borrower, and will contain the assumption restrictions required by Section 3.8 hereof and all other requirements of the Program Documents.

(e) The principal amount of a Mortgage Loan will not exceed any applicable Loan-to-Value Ratios as established under the Program Documents and by the GMI, PMI and the applicable Mortgage Certificate;

(f) As of the Purchase Date, the Mortgage Loan will be eligible for endorsement for insurance under either:

(1) a binding commitment for FHA Insurance under Section 203(b), 203(k) or 234(c), of the National Housing Act of 1934;

(2) a binding commitment for a VA or RHS Guaranty under the Serviceman's Readjustment Act of 1944;

(3) a binding commitment for PMI; and such FHA Insurance, VA or RHS Guaranty, or Private Mortgage Guaranty shall be maintained in force and effect during all times such Mortgage Lender owns an interest in the Mortgage Loan under the Program;

(g) As of the Purchase Date, the Mortgage Loan will be secured by the Deed of Trust as required under the Program Documents and must be current as to principal and interest payments due thereunder;

(h) As of the Purchase Date, Mortgage Lender shall have in its possession with respect to the property financed by the Mortgage Loan and secured by the Deed of Trust, and an American Land Title Association approved mortgagee guarantee title insurance policy, preliminary policy or binder as required by and set forth in the Program Documents;

(i) As of the Purchase Date, the improvements upon the real property subject to the Mortgage Loan will be covered by a valid and subsisting Standard Hazard Insurance Policy, condominium insurance and flood insurance, as applicable, and as required by the Program Documents;

(j) The terms, covenants and conditions of the Mortgage Loan shall not have been and shall not prior to the Purchase be waived, altered, impaired or modified in any respect which would materially affect the value, validity, enforceability, prompt payment of the Mortgage Loan, or the enforceability of the lien securing the Mortgage Loan, except for such waivers, alterations and the like accomplished by Mortgage Lender prior to the Purchase Date acceptable under the Program Documents;

(k) As of the Purchase Date, there shall be no delinquent tax or delinquent assessment lien against the property financed by the Mortgage Loan unless allowed by the Program Documents;

(l) As of the Purchase Date, Mortgage Lender shall not have done any act to create an offset, defense or counterclaim to the Mortgage Loan, including the obligation of Borrower to pay the unpaid principal of and interest on the Mortgage Loan;

(m) As of the Purchase Date, the Mortgage Loan must be secured by a residential first lien Deed of Trust or a subordinate lien Deed of Trust as specified in the Program Documents;

(n) Mortgage Lender has reviewed applicable credit reports and related documents required in connection with any application by the potential Borrower to assure itself, prior to approving such application, that such potential Borrower has the capacity to repay the Mortgage Loan;

(o) As of the Purchase Date, Mortgage Lender has no knowledge of any circumstances or condition with respect to Borrower, the Single Family Residence, the Mortgage Loan or any related document that could reasonably be expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment, or cause the Mortgage Loan to become delinquent or to adversely affect the value or the marketability of the Mortgage Loan, and Mortgage Lender has no knowledge of any circumstances which would cause the invalidation or cancellation of the GMI or PMI of the Deed of Trust;

(p) Borrower has agreed to make payments with respect to the Mortgage Loan in accordance with this Origination Agreement;

(q) Each Mortgage and Assignment of Deed of Trust Note and Deed of Trust to Servicer shall have been executed and delivered to the Servicer (or filed and properly recorded, if required by the Servicer) prior to the Purchase of the related Mortgage Loan, and any different or other recording that might hereafter be required by Laws of the State to perfect the lien of real estate mortgages against the adverse or competing claims of third parties by giving public notice thereof shall also have been accomplished;

(r) An assumption may only be permitted in accordance with Section 3.8 and the Program Documents;

(s) As of the Purchase Date, the Mortgage Lender has no knowledge or other reason to believe that any of the representations or other statements contained in the affidavits of Seller, Borrower and Mortgage Lender are not true and correct;

(t) To the best knowledge of the Mortgage Lender, Borrower has not assigned any of its rights, title or Interest into or under the Mortgage Loan; and

(u) To the best knowledge of the Mortgage Lender, all closing costs, fees and charges in connection with the Mortgage Loan do not exceed the usual and reasonable costs which would be paid here financing is not provided through the use of the proceeds of tax exempt bonds. (Note: If such

settlement and financing costs, fees or similar charges exceed the amount which is usual and reasonable, the Mortgage Loan application shall be deemed deficient and the Mortgage Lender notified of such deficiency.)

It is understood and agreed that the representations, warranties and covenants set forth in this Section shall survive the sale of the Mortgage Loans by the Mortgage Lender to Servicer and that the representations, warranties and covenants shall inure to the benefit of the transferees and assigns of Servicer which, under the Indenture, include CDA, Fannie Mae, Freddie Mac, GNMA, and the Trustee. Upon discovery by Mortgage Lender, Fannie Mae, Freddie Mac, GNMA, Servicer or CDA of a breach of any of the foregoing representations, warranties and covenants which materially and adversely affects the value of any Mortgage Loan or the interest of CDA in any Mortgage Loan, the party discovering such breach shall give prompt written notice to the others. Within 60 days of its discovery or its receipt of notice of breach, the Mortgage Lender shall cure such breach in all material respects or shall purchase the Mortgage Loan in the manner and in the amount set forth in Section 3.7 hereof. It is understood and agreed that the obligation of the Mortgage Lender to purchase the Mortgage Loan as to which a breach has occurred and is continuing shall constitute the sole remedy respecting such breach available to CDA and Servicer where Mortgage Lender has acted in good faith.

Section 4.2 Participant to Transfer Servicing to Servicer/Administrator. Under the Servicing Agreement, Servicer has agreed to perform all servicing functions of the Mortgage Lender relating to each Mortgage Loan upon Purchase by the Servicer of a Mortgage Loan.

## **ARTICLE 5 -DUTIES OF CDA**

Section 5.1. Issuance of Bonds. CDA hereby agrees to use its best efforts to issue its Bonds or provide other funds in an amount sufficient to purchase the Mortgage Certificates and to pay all other costs and expenses relating to the Bonds or the Program.

Section 5.2. Issuance of Notice. CDA hereby agrees to provide Program Documents, through a website or otherwise, to the Mortgage Lender and such other notices as may be necessary to fulfill the obligations of CDA hereunder or to effectuate the purposes of the Program and this Origination Agreement.

Section 5.3. Performance Review. CDA shall have the right, at its option, to review the performance of the Mortgage Lender as reflected by the reports and recommendations of the Servicer and the Compliance Agent and such other evidence as may be presented to CDA, to determine if Mortgage Lender is performing in accordance with the standards required by this Origination Agreement. In addition to any rights of the Servicer and CDA under the Program Documents, CDA may deactivate or terminate a Lender from the Program for failing to originate a minimum number of Mortgage Loans as set forth in the Program Documents.

Section 5.4. CDA as Servicer. CDA shall have the right, at its option, to designate itself to be and act as the Servicer for all or part of the Mortgage Loans under this Agreement and the Program Documents. In carrying out its duties as Servicer, CDA may contract or subcontract some or all of its duties and responsibilities when acting as the Servicer. In the event CDA acts as the Servicer, it may require Mortgage Lender to execute a Participating Lender Agreement or other agreements, or CDA may designate this Agreement as the Participating Lender Agreement.

## ARTICLE 6 -TERMINATION AND LIABILITIES

Section 6.1 Mortgage Lender Not to Resign. No Mortgage Lender shall have the right to resign from or assign and transfer its obligations hereunder except as permitted by CDA as evidenced by its written consent thereto; provided, however, Mortgage Lender may assign and/or transfer its obligations under this Origination Agreement without CDA's prior consent in accordance with Section 2.2(a)(10) above.

Section 6.2 Involuntary Termination of Mortgage Lender. CDA may terminate this Origination Agreement with respect to any Mortgage Lender upon the happening of any one or more of the following events:

(a) any representation or warranty of a Mortgage Lender to CDA, the Compliance Agent or the Servicer shall be or prove to be false in any material respect;

(b) failure of a Mortgage Lender to observe or perform any reasonable request of CDA or any other covenant, condition or agreement in this Origination Agreement to be observed or performed by such Mortgage Lender;

(c) a decree or order of a court, agency or supervisory authority having jurisdiction of the premises appointing a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceeding affecting a Mortgage Lender or substantially all its properties, or for the winding-up or liquidation of its affairs, if such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) days;

(d) consent by a Mortgage Lender to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceeding affecting Mortgage Lender or substantially all its properties;

(e) admission in writing by a Mortgage Lender of its inability to pay debts generally as they mature, or the filing of a petition to take advantage of any applicable bankruptcy or insolvency, or the making of an assignment for the benefit of creditors; or

(f) Servicing or Mortgage Lender terminating the participating Lender Agreement.

Section 6.3 Mortgage Lender's Excused Nonperformance. Notwithstanding anything in this Origination Agreement to the contrary, there shall be no termination of, and no liability under, this Origination Agreement with respect to the Mortgage Lender for its failure to duly observe or perform any covenant, condition or agreement to be observed or performed by it, if such failure is directly caused by the failure of the Servicer or CDA to duly observe or perform in any material respect any covenant, condition or agreement to be observed or performed by either of them.

Section 6.4 Agreement to Pay Attorneys' Fees and Expenses. If it is determined in a judicial proceeding that a Mortgage Lender has failed to perform under any provision of this Origination Agreement, and if CDA shall employ legal counsel or incur other expenses for the enforcement, performance or observance of the terms of this Origination Agreement on the part of any such Mortgage Lender, then CDA, to the extent permitted by Law, shall be reimbursed by such Mortgage Lender, on demand, for reasonable attorneys' fees and other out-of-pocket expenses.

Section 6.5 No Liability for Removal of Mortgage Lender. Notwithstanding any provision in this Origination Agreement to the contrary, neither CDA, Servicer nor any other Mortgage Lender shall be liable in any respect for the termination of a Mortgage Lender for cause, or owe any duty to any such Mortgage Lender if terminated for cause.

Section 6.6 No Remedy Exclusive. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party 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 omission 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 and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.7 Limited Liability. All monetary obligations of CDA incurred hereunder shall be payable solely out of, and all liability of CDA shall be limited to, revenues and receipts derived from the transactions contemplated and performed pursuant to this Origination Agreement.

Section 6.8 Term of Origination Agreement. Unless otherwise extended in writing by CDA, the term of this agreement shall end with the end of the Origination Period. The Mortgage Lender's obligations under this Origination Agreement shall continue in full force and effect after the term of this Origination Agreement with respect to Mortgage Loans reserved and purchased.

Section 6.9 Termination for Convenience. Notwithstanding Section 6.8 of this Origination Agreement, CDA may cancel this Origination Agreement in whole or in part, without cause or reason and without paying any cancellation or other fee, if CDA determines that such cancellation is in its best interests, for any or all new Mortgage Loans that have not yet been reserved pursuant to this Origination Agreement by giving the parties written notice of not less than 60 days. In the event that CDA cancels this Origination Agreement for new Mortgage Loans, the Mortgage Lender's obligations under this Origination Agreement shall continue in full force and effect with respect to Mortgage Loans reserved and purchased.

## **ARTICLE 7 -MISCELLANEOUS PROVISIONS**

Section 7.1 Mortgage Lender to Furnish Standard Closing Costs to Compliance Agent. The Mortgage Lender agrees to furnish the Compliance Agent and Servicer and CDA, in writing, prior to making its first Reservation Request hereunder, with a list of the usual and reasonable settlement costs of such Mortgage Lender where financing is not provided through tax exempt bonds.

Section 7.2 Preservation of Tax Exempt Status of Interest on Bonds. Mortgage Lender will not (a) knowingly take any or permit any action within its control to be taken or (b) make or offer to CDA a Mortgage Loan which would impair the exemption from federal income taxation of interest on the Bonds.

### Section 7.3 Amendments, Changes and Modifications.

(a) This Origination Agreement may not be amended, changed, modified or altered except with the written consent CDA by an instrument in writing which specifically refers to this Origination

Agreement and which is executed by all parties adversely affected by such amendment, change, modification or alteration.

(b) If for any reason there is a new Servicer, then the Mortgage Lender shall enter into a new Origination Agreement at the request of CDA.

Section 7.4 Governing Law and Consent to Jurisdiction of Maryland Courts. THIS ORIGINATION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. IN ANY ACTION OR PROCEEDING ARISING OUT OF, OR AS A RESULT OF, THIS ORIGINATION AGREEMENT, OR THE ALLEGED OR ANTICIPATED BREACH OF ANY OF THE PROVISIONS, REPRESENTATIONS, OR WARRANTIES CONTAINED IN THIS ORIGINATION AGREEMENT, IN ANY PROGRAM DOCUMENTS, THE PARTIES SUBMIT TO THE JURISDICTION OF THE CIRCUIT COURT OF ANNE ARUNDEL COUNTY, MARYLAND; PROVIDED, HOWEVER, THAT IN ANY SUCH ACTION OR PROCEEDING ARISING UNDER FEDERAL JURISDICTION, THE PARTIES SUBMIT TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT, THE DISTRICT OF MARYLAND. THE PARTIES WAIVE ANY OBJECTION TO VENUE FOR ANY SUCH ACTION BEING INSTITUTED IN ANNE ARUNDEL COUNTY, OR IN THE CASE OF FEDERAL JURISDICTION IN MARYLAND.

Section 7.5 Notices. All notices, certificates or other communications hereunder shall be deemed given when delivered, or five (5) days after mailing by certified or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. CDA, the Compliance Agent, the Servicer or the Mortgage Lender may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 7.6 Severability. If 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 7.7 Further Assurances and Corrective Instruments. To the extent permitted by Law, CDA and each Mortgage Lender agree that each will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required or appropriate to further express the intention, or to facilitate the performance of this Origination Agreement.

Section 7.8 No Rights Conferred on Others. Nothing in this Origination Agreement shall confer any right upon any person other than CDA, the Servicer, and Compliance Agent, and the Mortgage Lender, their successors or assigns.

Section 7.9 Limitation of Liability of Parties. Each party to this Origination Agreement shall be liable under this Origination Agreement only to the extent that obligations are imposed upon the party against whom enforcement is sought.

Section 7.10 No Personal Recourse. No director, officer, employee or agent of any party to this Origination Agreement shall be individually liable to any other party for the taking of any action or for refraining to take any action in good faith pursuant to this Origination Agreement, or for errors in judgment.

Section 7.11 Survival of Obligations and Covenants. Notwithstanding anything to the contrary herein, the expiration of this Origination Agreement or the termination or resignation of any Mortgage Lender under this Origination Agreement shall not affect any obligations of such Mortgage Lender under this Origination Agreement.

Section 7.12 Counterparts. This Origination Agreement may be executed in any number of counterparts, each of which shall be an original.

Section 7.13 Headings. The headings of the various sections of this Origination Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Origination Agreement.

(The remainder of this page is intentionally left blank.)



**IN WITNESS WHEREOF**, the parties have caused this Mortgage Origination Agreement to be duly executed and delivered as of the date first written.

**WITNESS:**

\_\_\_\_\_

**MARYLAND COMMUNITY DEVELOPMENT  
ADMINISTRATION**

BY: \_\_\_\_\_

Name:

Title: Director, Single Family Housing

**WITNESS:**

\_\_\_\_\_

**NAME OF MORTGAGE LENDER:**

BY: \_\_\_\_\_

Name: \_\_\_\_\_

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

*(Signature Page to Mortgage Origination Agreement)*

EXHIBIT I

Lender's Manual

EXHIBIT II

Program Loan Documents

(On the website at [www.mmprogram.org](http://www.mmprogram.org). Click on "Lenders Only").

SUBJECT TO CHANGE BY PROGRAM DIRECTIVES AND HIGHLIGHT SHEETS

1. Buyer's Affidavit (042814)
2. Borrower's Affidavit **for Refinance Loans Only** (030113)
3. Buyer's Confirming Affidavit (042814)
4. Seller's Affidavit (042814)
5. Seller's Confirming Affidavit (042814)
6. To be used along with applicable notes, deeds of trust, and condominium riders:
  - (a) Tax-Exempt Financing Rider (112706)
  - (b) Supplemental Buyer's Affidavit (112706)
  - (c) Notice to Borrowers (102408)
7. CDA Recapture Tax Notice (050614)