

**CRHMFA Homebuyers Fund
FirstHouse Program Term Sheet
March 1, 2009**

CRHMFA Homebuyers Fund (formerly known as the California Rural Home Mortgage Finance Authority) (“CHF”) and First Mortgage Corporation as lender (the “Participant”) and successor servicer (the “Servicer”) hereby confirm the following terms and conditions for the remaining funds under the CHF 2007 C FirstHouse Program. To the extent that certain capitalized terms used in this Program Term Sheet are not defined herein, such terms are defined in the Origination, Sale and Servicing Agreement, between CHF, the Servicer, and the Participant.

Program Series	<i>Series 2007 C</i>
Available Funding	\$14,000,000 remaining from the Series 2007 C to provide funding to Eligible Borrowers for home purchases in CHF jurisdictions.
Program Start Date	Mortgage loan reservations will be accepted by CHF on and after 3/1/2009.
Loan Reservation	Participant reserves funds for both the Mortgage Loan and optional Second Lien Mortgage Loan via the National Homebuyers Fund (“NHF”) Online Internet Reservation System at www.nhfloan.org .
Eligible Jurisdictions	FirstHouse Loans are available in eligible California counties, please refer to Exhibit A of this Term Sheet for eligible counties.
Borrower Credit Scores	A minimum Credit Score of 640 is required.
Mortgage Loan Types and Terms	30-year term FHA or VA eligible Mortgage Loans with full amortization. .
Mortgage Loan Interest Rate	6.00%
Second Lien Mortgage Loan Terms	<p>Optional Second Lien Mortgage Loan available from CHF:</p> <ul style="list-style-type: none"> • 20-year fully amortizing term; • Note Rate of Second Loan is 8.00%. • May not exceed 3% of the sales price; • Combination of Mortgage Loan and Second Lien Mortgage Loan may not exceed 99.5% CLTV; • Proceeds may be used for downpayment and/or closing costs, subject to CLTV limit; • There must be no cash back to the borrower from the Second Lien Mortgage Loan proceeds; • Any Second Lien Mortgage Loan proceeds remaining must be re-applied to the Second Lien Mortgage Loan to reduce the principal balance. If there is more than \$500 remaining from the

	<p>Second Lien Mortgage Loan proceeds as of the close of escrow, then documents must be redrawn;</p> <ul style="list-style-type: none"> Participant must conform to federal RESPA and Truth-in-lending laws in disclosing the initial terms of the Second Lien Mortgage Loan both at application and again at close.
Second Lien Mortgage Loan Documentation	<p>Required Second Lien Mortgage Loan Documents include: Note, Security instrument, Second Lien Rider, Second Loan Truth in Lending Statement, Mortgagor’s Agreement and the Acknowledgement of Disclosure Information form.</p> <ul style="list-style-type: none"> CRHMFA Homebuyers Fund (California Rural Home Mortgage Finance Authority) must serve as the lender and beneficiary for the Second Note and Security Instrument; Participant is required to report to HUD the Employer Identification Number (EIN) of all government, state, county, city municipalities and non-profit organizations providing secondary financing assistance, grants or gifts to the borrower when the borrower is receiving an FHA First Mortgage. Lenders are required to reflect this information on HUD’s new FHA Loan Underwriting and Transmittal Summary. CRHMFA Homebuyers Fund EIN is 68-0322272; The Participant is responsible for recording the Second Lien Mortgage Loan Security Instrument.
Lender Advance of Second Lien Mortgage Loan Funds	Participant shall advance the full amount of the Second Lien Mortgage Loan from its own resources at the close of escrow for the benefit of the homebuyer.
Participant Fees	Participant may charge “customary and reasonable” closing costs and fees with full disclosure in accordance with FHA, VA and federal, state and local laws and regulations.
Mortgage Loan Funding Price	Participant will fund Mortgage Loan at a price equal to 100% of the Mortgage Loan balance at the time of funding,
Second Lien Mortgage Loan Funding Price	Participant will fund Second Lien Mortgage Loan at a price equal to 100% of the Second Lien Mortgage Loan balance at the time of funding,
Certificate Purchase Period	The final day in which the Servicer may sell Certificates to the Trustee is July 1, 2009. All Mortgage Loans must be closed and pooled, and Certificates sold by this date.
Certificate Purchase Price	Trustee will purchase First Mortgage Loan Certificates from Servicer at 100% of the unpaid principal balance.
Second Loan Purchase	CHF will purchase Second Lien Mortgage Loan from Servicer at 100% of the unpaid principal balance.
Compliance	Participant will perform initial Compliance Review to confirm Eligible

Review	<p>Borrower status prior to Mortgage Loan funding. After Mortgage Loan funding, Participant shall submit a copy of the Compliance Package to NHF. (See Compliance Package Checklist attached)</p> <p>NHF, as Administrator, will perform Compliance Review after Mortgage Loan funding to confirm Tax Code Section 143 eligibility.</p> <p>Servicer shall maintain original documents of Compliance Package with Mortgage Loan.</p>
Compliance Review Fee	\$300 payable to NHF.

[Signatures Appear on Following Page]

[SIGNATURE PAGE TO PROGRAM TERM SHEET]

IN WITNESS WHEREOF, each party hereto has caused this Program Term Sheet to be executed by its duly authorized officer as of the day and year first above written.

CRHMFA HOMEBUYERS FUND

By: _____
Authorized Officer

FIRST MORTGAGE CORPORATION

By: _____
Authorized Officer

Exhibit A

CHF Jurisdictions

Eligible Counties

- | | | | |
|----|-----------------|----|----------------|
| 1 | Alpine | 25 | Shasta |
| 2 | Amador | 26 | Sierra |
| 3 | Butte | 27 | Siskiyou |
| 4 | Calaveras | 28 | Sutter |
| 5 | Colusa | 29 | Tehama |
| 6 | Del Norte | 30 | Trinity |
| 7 | El Dorado | 31 | Tuolumne |
| 8 | Glenn | 32 | Alameda |
| 9 | Imperial | 33 | Contra Costa |
| 10 | Inyo | 34 | Humboldt |
| 11 | Lake | 35 | Kern |
| 12 | Lassen | 36 | Kings |
| 13 | Madera | 37 | Monterey |
| 14 | Mariposa | 38 | Riverside |
| 15 | Mendocino | 39 | Sacramento |
| 16 | Merced | 40 | San Bernardino |
| 17 | Modoc | 41 | San Joaquin |
| 18 | Mono | 42 | Solano |
| 19 | Napa | 43 | Sonoma |
| 20 | Nevada | 44 | Stanislaus |
| 21 | Placer | 45 | Ventura |
| 22 | Plumas | 46 | Yolo |
| 23 | San Benito | 47 | Yuba |
| 24 | San Luis Obispo | | |

Additional Eligible Cities

Tulare

COMPLIANCE CHECKLIST

Date: _____

NHF Reservation Number: _____

Participant:
Participant Loan Number:
Contact:
Phone:
Fax:
Email:

Borrower:
FICO (must be 640 or above):
Property Address:
<input type="checkbox"/> Existing Property <input type="checkbox"/> New Construction
Type of Financing: <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> FNM
Target Area Tract:

- _____ NHF Reservation Confirmation
- _____ Copy of Checklist
- _____ Copy of Real Estate Purchase Contract
(to verify purchase limits, property is new or existing and Targeted Area requirements)
- _____ Copy of Typed Loan Application - 1003
(to show all borrowers & listed incomes)
- _____ Copy of Signed Income Tax Returns for Past 3 Years (Borrowers & Spouses)
(to verify first-time homebuyer status)
- _____ Copy of Paystubs
(to verify income limits)
- _____ Copies Notices to Buyers (federal recapture notice)
- _____ Copies of Program Affidavits – Mortgagor & Seller/Builder Affidavit & Lenders Certificate
*(Mortgagor and Seller/Builder Affidavits must be Notarized)
(to verify the property is principal residence)*
- _____ Copy of Signed Tax-Exempt Financing Rider
- _____ \$300 Compliance Review Fee

NHF Compliance Officer