

[HFA LETTERHEAD]

**ELECTION LETTER  
FOR APPROVED MODIFICATIONS**

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

VIA E-MAIL ONLY

Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Attention: Fiscal Assistant Secretary  
Re: Housing Finance Agency Initiative

and

Attention: Assistant General Counsel  
(Banking and Finance)  
Re: Housing Finance Agency Initiative

E-mail: HFAInitiative@SSgA.com

Re: Election for Approved Modifications to Form Indenture Appendices under the New Issue Bond Program and Approved Modifications to Form TCLFs, Indenture Supplements and Reimbursement Agreements under the Temporary Credit and Liquidity Program

Treasury:

By this Election Letter, the undersigned housing finance agency known as [insert name of HFA] (the "HFA") informs you that it hereby agrees to (*check all that apply*):

**General NIBP Permitted Modifications**

Yes  No

The general permitted modifications to the form Appendix to [Indenture] (the "General NIBP Permitted Modifications") provided for use in conjunction with [single family] [multifamily] [small issue single family]\* escrow releases closed pursuant to the New Issue Bond Program announced by the United States Department of the Treasury ("Treasury") on October 19, 2009 (the "New Issue Bond Program" or "NIBP") and the related issues of program bonds are set forth in the "NIBP

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\* Please designate all that apply

Extension Term Sheet” circulated by Treasury on November 23, 2011 (the “NIBP Extension Term Sheet”).

The HFA and its representatives have reviewed the provisions relating to the General NIBP Permitted Modifications contained in the NIBP Extension Term Sheet, and found them to be acceptable.

It is understood that the HFA participating in NIBP is required to (i) modify its Indenture(s) relating to the New Issue Bond Program to reflect the General NIBP Permitted Modifications referenced in the NIBP Extension Term Sheet and (ii) implement the General NIBP Permitted Modification amendments on or before January 20, 2011.

This election of the General NIBP Permitted Modifications is legally binding on the HFA and is irrevocable.

### **Special NIBP Permitted Modifications for TCLP Participants**

Yes  No  N/A

The special permitted modifications to the form Appendix to [Indenture] (the “Special NIBP Permitted Modifications for TCLP Participants”) provided for use in conjunction with [single family] [multifamily] \* and provide additional terms and requirements applicable to HFAs participating in both NIBP, to the extent escrow proceeds are still remaining, and the Temporary Credit and Liquidity Program announced by Treasury on October 19, 2009 (the “Temporary Credit and Liquidity Program” or “TCLP”) are also set forth in the NIBP Extension Term Sheet.

The HFA and its representatives have reviewed the provisions relating to the Special NIBP Permitted Modifications for TCLP Participants contained in the NIBP Extension Term Sheet, and found them to be acceptable.

It is understood that the HFA participating in both NIBP and TCLP is required to (i) modify its Indenture(s) relating to the New Issue Bond Program to reflect the Special NIBP Permitted Modifications for TCLP Participants referenced in the NIBP Extension Term Sheet, as well as the General NIBP Permitted Modifications, and (ii) implement the Special NIBP Permitted Modification for TCLP Participants amendments on or before January 20, 1011.

The election of the Special NIBP Permitted Modifications for TCLP Participants is required for the HFA if it elects to avail itself of the TCLP Permitted Modifications (as defined below), to the extent NIBP escrow proceeds are still remaining. An affirmative election of the Special NIBP Permitted Modifications for TCLP Participants is legally binding on the HFA and is irrevocable unless the HFA opts-out of both the Special NIBP Permitted Modifications for TCLP Participants and the TCLP Permitted Modifications through written notice to Treasury. In addition, an initial negative election

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\* Please designate all that apply

or a subsequent opt-out of the Special NIBP Permitted Modifications for TCLP Participants is legally binding on the HFA and is irrevocable.

### **TCLP Permitted Modifications**

Yes  No  N/A

The permitted modifications to the form Supplement to [Indenture], if necessary, and Reimbursement Agreement provided for use in conjunction with [single family] [multifamily]<sup>\*</sup> pursuant to the Temporary Credit Liquidity Program (the “TCLP Permitted Modifications”) are set forth in the “TCLP Extension Term Sheet” circulated by Treasury on November 23, 2011 (the “TCLP Extension Term Sheet”).

The HFA and its representatives have reviewed the provisions relating to the TCLP Permitted Modifications contained in the TCLP Extension Term Sheet, and found them to be acceptable.

It is understood that the HFA participating in TCLP is required to (i) accept modified TCLF(s) relating to the Temporary Credit and Liquidity Program to reflect the TCLP Permitted Modifications referenced in the TCLP Extension Term Sheet, (ii) modify its Indenture Supplement(s), if necessary, and Reimbursement Agreement(s) relating to the Temporary Credit and Liquidity Program to reflect the TCLP Permitted Modifications referenced in the TCLP Extension Term Sheet and (iii) implement the TCLP Permitted Modification amendments within the timeframe outlined in the TCLP Extension Term Sheet.

The election of the Special NIBP Permitted Modifications for TCLP Participants is required for the HFA if it elects to avail itself of the TCLP Permitted Modifications, to the extent NIBP escrow proceeds are still remaining. An affirmative election of the TCLP Permitted Modifications is not binding on the HFA, and is subject to approval of a preliminary plan and a detailed final plan, as more fully described in the TCLP Extension Term Sheet. At any time, the HFA may opt-out of the TCLP Permitted Modifications through written notice to Treasury; however, an initial negative election or a subsequent opt-out of the TCLP Permitted Modifications is legally binding on the HFA and is irrevocable.

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It is also understood by the HFA that the General NIBP Permitted Modifications and the Special NIBP Permitted Modifications for TCLP Participants set forth in the NIBP Extension Term Sheet, and the TCLP Permitted Modifications set forth in the TCLP Extension Term Sheet, shall be made solely at the expense of the HFA. In particular, the HFA hereby agrees to pay to the GSE Special Closing Counsel an additional fee of \$3,500 for overseeing the implementation of the General NIBP Permitted Modifications per HFA program (single family, multifamily and/or single family small issue), other than such modifications relating to the use of single family NIBP proceeds to fund

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\* Please designate all that apply

multifamily NIBP loans (the “Change in Use Modifications”). The HFA also hereby agrees to pay the fees of the GSE Special Closing Counsel and any other external GSE counsel for overseeing the implementation of (i) the Change in Use Modifications per HFA program (single family and/or single family small issue), (ii) the Special NIBP Permitted Modifications for TCLP Participants per HFA program (single family and/or multifamily), (iii) the TCLP Permitted Modification per HFA program (single family and/or multifamily). The foregoing shall include any fees incurred even though the HFA subsequently opts-out of its election(s) and shall be in addition to any other legal fees owed by the HFA in connection with an escrow release.

This Election Letter must be received at [HFAInitiative@SSgA.com](mailto:HFAInitiative@SSgA.com) by 5:00 pm (Eastern time) on December 9, 2011 and must be sent via first class mail to the addresses referenced below in order for the HFA to be authorized to amend the Indenture(s) to reflect the General NIBP Permitted Modifications and the Special NIBP Permitted Modifications for TCLP Participants under the New Issue Bond Program, and/or to amend the Indenture Supplement(s), if necessary, and Reimbursement Agreement(s) under TCLP.

Sincerely,

[NAME OF ISSUER]

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

Name:

Title:

cc: Fannie Mae  
3900 Wisconsin Avenue, N.W.  
Washington, D.C. 20016  
Attention: Jessica Wright  
Project Analyst  
Customer Engagement, HFA Team

Freddie Mac  
1551 Park Run Drive  
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McLean, Virginia 22102-3110  
Attention: Mark Spates  
Director, Affordable Lending