



Louisiana Housing Corporation

The following resolution was offered by Board Member Matthew P. Ritchie and seconded by Board Member Ellen M. Lee:

RESOLUTION

A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation (the "Corporation") to implement the FNMA Advantage Plus Program providing homeownership financing and/or refinancing program; and providing for other matters in connection therewith.

WHEREAS, the Corporation's homeownership loan products financed with tax-exempt bonds without any assistance from federal or state program funds (the "**Program Funds**") have been at a competitive disadvantage compared to other market homeownership loan products for the duration of the low-interest rate policies currently maintained by the Federal Reserve Board; and

WHEREAS, the Finance Team has recommended that the Corporation explore non-bond financed initiatives to finance or to refinance mortgage loans throughout the State by sponsoring mortgage origination through the Corporation's network of lenders (the "**Lenders**") using mortgage interest rates within specified periods in the to-be-announced market (the "**TBA Market**") for the delivery mortgage loans originated during such periods; and

WHEREAS, the Corporation desires to manage assets and debts in a manner which provides the best economic benefit to the Corporation and has received recommendations from members of the Corporation's Finance Team;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation (the "**Board**"), acting as the governing authority of the Corporation, that:

SECTION 1. The Corporation's Finance Team is hereby authorized and directed to implement the FNMA Advantage Plus Program described in **Exhibit A** hereto that permits the Corporation to maintain a continuous homeownership financing program in all market interest rate environments or conditions.

SECTION 2. The Corporation Staff and Financing Team are authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary, to implement the FNMA Advantage Plus Program described in **Exhibit A** hereto.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Michael L. Airhart, Mayson H. Foster, Dr. Daryl V. Burckel, John N. Kennedy, Ellen M. Lee, Matthew P. Ritchie, Willie Spears, Guy T. Williams, Jr., Malcolm Young.

NAYS: None.

ABSENT: Larry Ferdinand.

ABSTAIN: None.

And the resolution was declared adopted on this, the 11th day of December 2013.



Chairman



Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the “**Board**”), do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board on December 11, 2013 titled: “A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation (the “**Corporation**”) to implement the FNMA Advantage Plus Program providing homeownership financing and/or refinancing program; and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 11th day of December, 2013.



Secretary



(SEAL)

FNMA Advantage PLUS Terms

- Loan Type:** 30-year, fixed rate My Community Mortgage Loans under FNMA's HEA Preferred Program.
- Loan Purpose:** Purchases only. Rate term or limited cash out refinances are not permitted.
- Maximum LTV/CLTV:** 95 or 97 LTV, up to 105% CLTV with LHC Community Second
- Borrower Eligibility:** No need for Borrower to be a first time homebuyer. Primary residence, owner occupied.
- LHC Second Loans:** Deferred Second Loans of up to 5% in size, with no monthly payments due, no accrued interest, with principal due at final maturity, when the property is sold or when the original loan is refinanced. This is an easier loan for the lenders to originate. Forgiveness is optional, but if the Second Loan is funded in part or in whole by LHC, any forgiveness will reduce the yield.
- Borrower Contribution:** No minimum down for 1-unit properties, 3% for 2-4 unit properties.
- Reserves/Ratios:** As required by DU (DU prefers 1-2% in reserve, does not like total debt to income (DTI) ratios exceeding 45% of the monthly gross income unless there are strong compensating factors).
- Property Type:** 1-4 unit properties, condos, planned unit developments. Manufactured homes not permitted.
- Income Limits:** Determined by LHC, based on household income. Up to 80% AMI if HOME funds are used, up to \$99,000 for all other borrowers.
- Loan Limits:** Up to \$417,000 loan limit.
- Lender Compensation:** A combination of origination fee, discount and servicing release premium, to be determined by LHC, not to exceed 2.5%. Lender will certify as to "reasonable and customary" closing costs and fees.
- Homebuyer Education:** Required for all first-time homebuyers. Courses are available through LHC, the Mortgage Insurers or eHome America. Certificate of completion required as a condition to loan closing.