

**LOAN SERVICING RELEASE AGREEMENT
NEW LOANS**

This Loan Servicing Release Agreement (“Agreement”) is made and executed this _____ day of _____, _____, by and between the Georgia Housing and Finance Authority, a public authority created by the General Assembly of the State of Georgia and deemed an instrumentality of the State of Georgia and a public corporation (hereinafter “GHFA”), the programs of which are administered by the Georgia Department of Community Affairs (hereinafter “DCA”), an executive branch of Georgia state government whose principal office and place of business is located at 60 Executive Park South, N.E., Atlanta, Georgia 30329, doing business as State Home Mortgage (hereinafter “SHM”), whose principal office and place of business is the same as the Georgia Department of Community Affairs, and _____ (and its predecessors and /or successors), (hereinafter “Lender”), whose principal office and place of business is located at _____.

WITNESSETH:

WHEREAS, Lender has been approved by DCA to originate certain single family loans for sale to GHFA, (hereinafter “DCA Loans”) under the Loan Seller Agreement; and

WHEREAS, DCA requires lenders participating in its single family programs to arrange for the servicing of its DCA Loans by a DCA-approved Loan Administrator in good standing; and

WHEREAS, Lender is not an approved DCA Loan Administrator in good standing or is a DCA Loan Administrator in good standing, but will not be providing loan servicing for certain DCA Loans and therefore desires to sell and transfer loan servicing rights and obligations for certain DCA Loans to SHM; and

WHEREAS, SHM provides loan servicing for DCA Loans and desires to acquire loan servicing rights and obligations for certain DCA Loans from Lender;

NOW, THEREFORE, and in consideration of the terms and conditions hereinafter set forth, SHM and the Lender agree as follows:

Section 1. Definitions. All words and phrases used herein and not otherwise defined shall have the same meaning as in the Seller Guide. In addition, the following words and phrases shall have the following meanings:

“Loan Seller Agreement” The agreement entered into by GHFA and Lender in connection with the purchase of DCA Loans under DCA’s single family programs, including any and all appendices and exhibits thereto and as amended from time to time and any other prior or subsequent Loan Seller Agreements entered into by GHFA and Lender.

“Seller Guide” means the Seller Guide published by DCA in connection with its Programs.

“Servicing Release Premium” means the amount paid by SHM to Lender for the rights and obligations related to servicing each Serviced Loan as set forth in the Servicing Release Premium Notice. The Servicing Release Premium is set in the sole discretion of SHM.

“Servicing Release Premium Notice” means the notice provided to Lender by SHM stating the amount of the Servicing Release Premium and the tax service fee. Exhibit A of this Agreement contains the current Servicing Release Premium Notice. DCA will issue a new Servicing Release Premium Notice whenever it elects to change the Servicing Release Premium or the tax service fee. Any subsequent Servicing Release Premium Notices will be provided to Lender fifteen (15) calendar days prior to the effective date of the notice and will be effective for all loans purchased by GHFA on or after the effective date. SHM shall deliver the Servicing Release Premium Notice to Lender in the manner described in Section 11.

“Serviced Loan” means a DCA Loan referenced in Section 2 of this Agreement and refers to those DCA Loans for which Lender delivers to SHM to provide loan servicing.

Section 2. Applicability of this Agreement. Effective as of the date of this Agreement, Lender shall transfer servicing rights to SHM pursuant to this Agreement.

Section 3. Loan Servicing File. For each Serviced Loan, Lender shall deliver the loan servicing documents in as required by the Seller Guide

Section 4. Payment of Servicing Release Premium. Upon purchase by GHFA of each Serviced Loan, SHM shall pay Lender the Servicing Release Premium, which shall be the total purchase price for loan servicing rights with respect to the Serviced Loan. SHM shall deduct from said purchase price a tax service fee in the amount specified in the applicable Servicing Release Premium Notice. The Servicing Release Premium (net of the tax service fee) for each Serviced Loan will be wired on the day that the Serviced Loan is purchased by GHFA.

Section 5. Loan Origination. Lender warrants that all Serviced Loans have been underwritten and closed by Lender in accordance with the requirements of the applicable Loan Seller Agreement between GHFA and Lender and in accordance with the requirements of the applicable Seller Guide. Lender acknowledges that this Agreement is for the purchase of servicing rights and obligations only and that Lender remains liable for any origination and/or servicing errors or liabilities committed prior to the date of transfer of the servicing rights and obligations to SHM.

Section 6. Non-Purchase of Loan. SHM and Lender acknowledge and agree that Lender does not intend to sell to SHM, and SHM does not intend to purchase from Lender, servicing rights for any loans other than DCA Loans. If Lender transfers to SHM the servicing rights for a loan that is ultimately not purchased by DCA, the parties agree that SHM shall transfer such servicing rights back to Lender and pay to Lender within 15 (fifteen) calendar days of the effective date of the non-purchase, as specified in the notice from DCA

to Lender notifying Lender of the non-purchase, an amount which equals the payments collected from the borrower less: (i) 3/8 of 1% servicing fee for the period SHM serviced the DCA Loan, (ii) any disbursements made on the loan, and (iii) the tax service fee paid on the loan.

Section 7. Loan Repurchase. If Lender is required by DCA to repurchase a Serviced Loan pursuant to the Loan Seller Agreement, SHM shall transfer the servicing rights for such Serviced Loan back to Lender and Lender shall pay to SHM, within fifteen (15) calendar days of the date of the DCA repurchase demand, an amount equal to the Servicing Release Premium paid by SHM, reduced by one-seventh (1/7th) for each full year or part thereof. If DCA requires repurchase of the Serviced Loan more than seven (7) years after purchase of such DCA Loan by GHFA, no portion of the servicing release premium paid by SHM for the servicing rights shall be returned.

Section 8. Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the purchase of loan servicing by SHM. The Loan Seller Agreement between Lender and GHFA (including the Seller Guide incorporated therein by reference) is incorporated herein by reference as if fully set forth herein, including any amendments or supplements thereto and any replacement versions thereof.

Section 9. Amendment. This Agreement may be changed, amended or altered only by written instrument signed by both parties.

Section 10. Georgia Contract. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 11. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been given three (3) business days from the date of deposit in the mail, designated as certified mail, return receipt requested, postage prepaid, or one (1) business day after being entrusted to a reputable commercial overnight delivery service addressed to the party to which such notice is directed at its address determined as provided in this Section. Notices or communications sent by confirmed telecopy shall be deemed to have been received on the day sent; provided, however, that when a notice or communication is sent via telecopy, a copy of such notice or other communication shall be sent by mail as provided within one (1) business day thereafter. In addition, notices hereunder may be delivered by hand in which event the notice shall be deemed effective when delivered. All notices and other communications under this Agreement shall be given to the parties hereto at the following address:

GHFA: State Home Mortgage
C/O Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329
Attention: Servicing Manager
Telephone No.: (404) 679-0574; (800) 781-8346

Lender: _____
Address: _____
Attention: _____
Telephone _____

Any party hereto may change the address to which notices shall be directed under this Section by giving fifteen (15) calendar days written notice of such change to the other party.

Section 12. Termination. Either party shall have the right to terminate this Agreement, upon fifteen (15) calendar days written notice to the other party, delivered as described in section 11. Servicing rights for all DCA Loans purchased by GHFA from Lender during such fifteen (15) day notice period shall be transferred to SHM in accordance with this Agreement.

Section 13. Effective Date. This Agreement shall be effective upon the date first written above and shall be applicable to all Serviced Loans purchased by GHFA after that date.

Section 14. Severability. In the event that a court of competent jurisdiction shall make final determination that any of the terms, provisions, covenants or conditions (hereinafter collectively referred to as “provisions”) contained herein are invalid, then such provisions(s) shall be void and of no force or legal effect and shall be severed from this agreement.

Section 15. Time of Essence. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

Section 16. Attorney’s Fees and Expenses. In the event the Lender should fail to perform its obligations under any of the provisions hereof and SHM should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Lender herein contained, the Lender agrees that to the extent permitted by law it will pay or reimburse SHM on demand the reasonable fee of attorneys and such other incurred expenses.

Section 17. Assignment. Lender may not, without the express prior written consent of SHM, assign this Agreement, or its rights or obligations hereunder.

Section 18. Purpose of Section Identification Reference. The brief captioned section identification references, which appear in this Agreement, are for the purpose of convenience only and shall be completely disregarded in construing this Agreement.

[Executions appear on the following page]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first written above.

**Georgia Housing and Finance Authority
d/b/a State Home Mortgage**

By: _____

Name: Michael Galloway

Title: Servicing Director

Attest: _____

Name: Wesley Brooks

Title: Deputy Commissioner, Homeownership

{Seal}

LENDER:

(Name of Lender)

By: _____

Name: _____

Title: _____

Attest: _____

Name: _____

Title: _____

Exhibit A

State Home Mortgage
Servicing Release Premium Notice

Date of Notice: _____

Effective Date: _____

The following Service Release Premium (SRP) and tax service fee amounts will be in effect for all loans purchased by Georgia Housing and Finance Authority (GHFA) on or after the effective date.

Servicing Release Premium: Loans purchased with a credit score of 720 or above will be paid 1.125% (loan amount x .01125), loans with a credit score of 680 to 719 will be paid at 1.0% loan amount x .010) and loans with a credit score less than 680 will be paid .75% (loan amount x .0075).

Tax Service Fee: \$81.00

This notice is being provided in accordance with Section 4 of the Loan Servicing Release Agreement.

Should you require any additional information, please contact State Home Mortgage Servicing Manager at 404-679-0574.