

OKLAHOMA HOUSING FINANCE AGENCY
HOMEOWNERSHIP LOAN PROGRAM

PROGRAM NOTICE 2009 A

Start Date: Tuesday, April 28, 2009

***Information in (parenthesis) is subject to change.**

The sections of this Program Notice marked with an asterisk () are general summaries of, do not amend, and are not substitutes for, the specific detailed terms and conditions contained in the Mortgage Origination Master Agreement dated as of September 1, 2000 (the "Origination Agreement"), which should be reviewed carefully by the representatives of any Lender considering participating in Program 2009 A as an Originating Lender and Correspondent Lender with approved Originating Lender. The sections not so marked constitute supplemental information regarding this Program Issue.*

GENERAL INFORMATION

***Distribution to
Approved
Lenders***

This Issue Notice is provided to each Financial Institution known by Oklahoma Housing Finance Agency ("OHFA") to be doing business in the state and believed by OHFA to have the necessary qualifications to participate as an Originating Lender, and each Financial Institution previously approved by OHFA for participation as an Originating Lender or Correspondent Lender with an Approved Lender (hereinafter collectively referred as "Lenders") in the Homeownership Loan Program (the "Program").

***Program
Operation
Generally***

OHFA issues a Series of its bonds and deposits the proceeds with the Bond Trustee.

Prospective Mortgagors submit applications for Mortgage Loans to Lenders that have been approved by OHFA for participation in the Program.

Lenders reserve funds with OHFA Internet Reservation system, process and underwrite the Mortgage Loans (No Contract Underwriting), confirm the Program eligibility of the Mortgagor and the Residence being purchased, close the Mortgage Loans with their own funds, and deliver them to the designated Master Servicer for purchase.

The Master Servicer purchases and securitizes the Mortgage Loans by pooling them to create Mortgage Backed Securities guaranteed by GNMA. When issued, these Mortgage Backed Securities are delivered to the Bond Trustee for purchase with the proceeds of OHFA's bonds.

Information or updates regarding Programs will be sent via e-mail and/or facsimile by OHFA and US Bank.

***Sizing of
Program
2009 A***

OHFA is expecting \$30,000,000 to be available to purchase GNMA Certificates backed by Mortgage Loans under this Program.

This sizing is based upon estimates of loan demand, legal limitations on the principal amount of Bonds issuable by OHFA and limitations on the amount of OHFA funds available to be committed at this time.

PROGRAM NOTICE 2009 A

Applications for Mortgage Loans

Applications for Mortgage Loans under the Program may be taken prior to the Start Date at the Lender's risk.

Start Date for Reservations

The Start Date is the first day on which Mortgage Loan funding Reservation requests may be submitted to OHFA.

The Start Date is to be Tuesday, April 28, 2009 at 10:00AM CST.

The actual Start Date will be stated in the Final Addendum to this Program Notice provided to each Lender after the Rate Setting Date for the Bonds/Mortgage Loans.

Other Key Dates

The estimated dates for each of the following deadlines are stated in the Preliminary Addendum to this Program Notice.

Actual dates for each of the following deadlines are (a) expected to be within five Business Days of the estimated dates listed in the Preliminary Addendum to this Program Notice, and (b) will be stated in the Final Addendum to this Program Notice provided to each Lender after the Rate Setting Date for the Bonds and the Mortgage Loans.

Compliance Package Final Delivery Date: The last day on which a Compliance Package may be received for processing by OHFA.

Final Closing Date: The last day on which a Mortgage Loan may be closed.

Final Sale Date: The last day on which closed Mortgage Loans may be purchased from an Originating Lender by the Master Servicer for pooling and securitization.

Final Certificate Issuance Date: The last day on which GNMA Certificates may be issued to securitize Mortgage Loans originated under this Program.

Final Certificate Acquisition Date: The last day on which GNMA Certificates will be purchased by the Bond Trustee from the Master Servicer.

Borrower Eligibility*

First Time Homebuyers-* First Time Homebuyers are those which have not had an ownership interest in their primary residence at any time during the three years preceding their date of application for a Mortgage Loan under the Program.

All Loans must also be made to First Time Homebuyers unless the Mortgagor is obtaining a Qualified Rehabilitation Loan or a Mortgage Loan on a Residence located in a Targeted Area, or is using the proceeds of a Mortgage Loan to pay off a Bridge Loan.

Credit Score-* **New 2009: Minimum of 620.**

- Mid range credit scores for borrower and co-borrower
- Credit score or whichever is lower of the borrower and co-borrower
- Tri-merge isn't available, need at least two credit scores and use the lower of the two.

Lenders have the opportunity to complete a non traditional underwrite, however; the loan will be a manual underwrite with no reps and warrants.

Exception 2009: Hero's Act.

Hero's Act SFMRB requirements for the 2009 Year are:

- Must be a veteran as defined in 38 U.S.C., Section 101
- A veteran is anyone who has served in the military & was honorably discharged or released (or who has re-enlisted but could have been honorably discharged or released)
- The Veteran needs to provide his/her discharge papers
- The Veteran's spouse is included in the exception even if the spouse is not a First Time Homebuyer
- The veteran cannot have previously obtained a home loan financed with bond funds
- The Veteran can use exception for First Time Homebuyer only once
- No Refinances only New Mortgages
- The veteran is still required to meet the normal income and purchase price limits of the bond program

OHFA 4 Teacher-*

Must hold a current Oklahoma State Department of Education Teaching Certificate. Currently under contract with any Oklahoma Accredited Public School and/or Private/Parochial School

Other employees in public or private schools whose employment requires a current Oklahoma State Department of Education Teaching Certificate (Elementary and Secondary Only)

OHFA Shield - Fire Fighter-*

Must be currently employed as a fire fighter with a fire department of an Oklahoma municipality

OHFA Shield - Police Officer-*

Must be currently employed in law enforcement of an Oklahoma municipality CLEET certified police officers, patrol officers, sheriffs, and other government law enforcement agency personnel

Income Restrictions-* For All Program Loans the Annualized Monthly Income of the Mortgagor may not exceed the Maximum Permissible Family Income per Exhibit H-1 (Rev 3/25/2008) to the Origination Agreement. These income limits are based on IRS Code restrictions relating to Qualified Mortgage Bond programs.

Primary Residence-* Each Mortgagor must intend to occupy the Residence as its principal residence within **sixty (60) days** of the closing date of the Mortgage Loan.

Ineligible Borrower-* Any applicant for a Mortgage Loan under the Program is deemed to be an Ineligible Borrower if; (i) such applicant is an employee, officer, director or trustee of the Issuer (OHFA), the Trustee (Bank of Oklahoma), the Servicer or Lender through which the applicant is applying or has applied for a Mortgage Loan, or (ii) the applicant or his or her spouse is related by blood or adoption to any employee, officer, director or trustee of any of said entities. Non-Dependent children of Issuer excluded.

Residence Eligibility*

Location-* All Residences purchased with Mortgage Loans under the Program must be located within the State of Oklahoma.

Type-* Previously occupied, existing (resale) homes, as well as newly constructed homes may be purchased with Mortgage Loans under the Program.

Configuration-* Single unit dwellings only; however, such dwellings may be detached or attached (as in a townhouse, row house or manufactured home).

Form of Ownership-* Fee simple or condominium.

Purchase Price Limits-* For Residences purchased with 1st Gold Loans, the Purchase Price may not exceed the Maximum Permissible Acquisition Costs per Exhibit H **Purpose-*** To acquire new or existing Residences, or to replace a "Bridge Loan" (see "Refinancing", below).

OHFA Advantage Loans Generally*

Purpose-* To acquire new or existing Residences, or to replace a "Bridge Loan" (see "Refinancing", below).

Interest Rate-* To be set by OHFA. Lenders will be notified by receipt of the Final Program Notice Addendum for 2009 A and faxed/emailed prior to opening date of program.

Insurance/Guaranty/Securitization-* FHA/VA/USDA-RD loans securitized by GNMA.

Format-* 30 year term, with level monthly payments.

Security-* First lien.

Refinancing-* With the exception of Qualified Rehabilitation Loans, no Mortgage Loan may replace an existing mortgage loan except for construction period bridge loans or similar temporary financing having an original term of 24 months or less.

Underwriting Standards-* All loans must meet standard underwriting guidelines, credit, eligibility, LTV, appraisal standards, FHA/VA/USDA-RD and documentation for the particular loan product. All borrower contributions toward the purchase must meet product guidelines and underwriting standards. **New 2009: Credit minimum of 620.**

**The 2009 A OHFA Advantage accepts the following loan products:
FHA, VA, USDA-RD and Section 184.**

Additional Underwriting Standards-*

- 10 Acres limit on all loan products
- Multi-Sections (doublewides) only, on **FHA & VA loan products only**
- No Seller Based DPA allowed on any products
- Second Mortgage NOT allowed
- Cash Back at Closing on ALL Bond Loans is limited to: Appraisal, Earnest Money, Credit Report, & Code Compliance Fee
- No Contract Underwriting
- Lenders are capped at \$550.00 for Underwriting, processing and closing fees. \$175.00 is allowed for funding fee for third party originator only.
- Effective 02/17/09, the Tax Credit equal to 10% of the purchase price up to a maximum of \$8,000.00 **is** allowed. This is for First Time Homebuyers only.
- **Mortgage Credit Certificates not allowed with OHFA Tax Exempt Mortgage Revenue Bonds**

Originating Lenders are required to repurchase defective Mortgage Loans.

**OHFA
Advantage
Loans
Generally*
Con't.**

Assumability-* A Mortgage Loan may be assumed by a subsequent homebuyer only if all eligibility requirements of the new Mortgagor, the Residence, the Mortgage Loan and all other Program requirements are satisfied at the time of assumption as if the Mortgage Loan was being originated for the first time. All assumptions must be submitted to OHFA for Code Compliance Review and written approvals by all applicable parties must be obtained prior to Closing.

Prepayment-* May be prepaid in whole or in part at any time without prepayment penalties.

**Calculation &
Application of
Assistance
Payments**

The Assistance Payment is be calculated by multiplying the total loan amount by 3.5%. Your product is then rounded to the next whole cent. Example: \$83,420.00 x 3.5% = \$2,919.7000. Your Assistance Payment is \$2,919.70. Assistance Payments are rounded up after .005; i.e. \$2,919.7053 = \$2,919.71.

The application of Assistance Payments provided in connection with 1st Gold Loans, is to be determined after taking into consideration the extent to which the seller of the residence is obligated to pay all or any portion of the closing costs as provided in the related real estate sales contract.

Assistance Payments are to be applied according to the priorities listed below:

- (1) **First**, toward meeting any remaining minimum down payment requirement applicable to the type of Mortgage Loan being originated;
- (2) **Second**, toward "normal and customary" closing costs (which may not be increased in anticipation of the availability of Assistance Payments) as provided by the Origination Agreement;
- (3) **Third**, toward prepaid taxes and insurance and related escrow contributions required to be paid at closing; and
- (4) **Fourth**, toward reduction of the Mortgage Loan principal balance

**Types of
Mortgage Loans**

1st Gold Program Loans & OHFA Shield/4Teachers- (Assisted Loans) are intended to meet the needs of borrowers who can qualify for a home loan having a higher monthly payment, but who need a source of funds to cover part of the down payment and/or closing costs required at loan closing. The Mortgagor receives from the Lender at closing cash Assistance Payment equal to **3.50%** of the Mortgage Loan principal amount.

**Program Loan
Interest Rates &
Terms**

Mortgage Loan Characteristics	1st Gold	OHFA Shield/4Teachers
Interest Rate	5.83%	5.83%
Assistance	3.50%	3.50%
Origination Fee	-0-	-0-
Discount Points	-0-	-0-
Amortization Term	30 year	30 year
Principal Amount	\$30,000,000	*\$2,500,000

*** 2009 A Program Starts with \$2.5 million of the \$5 million annual allocation**

Set Asides of Lendable Proceeds

Federal Targeted Area Set Asides- \$6,217,639 of lendable proceeds will be set aside for up to one year to fund Mortgage Loans on Residences in the Targeted Areas set forth in Exhibit H-3 (Rev 3-26-2003) to the Origination Agreement.

State Targeted Area Set Aside- \$10,880,369 of lendable proceeds will be set aside for 3 months for reservations in 75 non-metropolitan counties (**i.e. all counties other than Oklahoma and Tulsa**).

Continuous Rural Origination Policy- Following the expenditure of funds, under the Non-Metro Set-Aside, OHFA will continue to accept reservation requests for Program Loans on eligible residences located in the following 57 counties:

Adair, Alfalfa, Atoka, Beaver, Blaine, Bryan, Caddo, Carter, Choctaw, Cimarron, Coal, Cotton, Craig, Custer, Delaware, Dewey, Ellis, Garfield, Grady, Grant, Greer, Harmon, Harper, Haskell, Hughes, Jefferson, Johnston, Kay, Kingfisher, Kiowa, Latimer, Lincoln, Love, McCurtain, McIntosh, Major, Marshall, Mayes, Murray, Noble, Nowata, Okfuskee, Okmulgee, Osage, Ottawa, Pawnee, Payne, Pontotoc, Pushmataha, Roger Mills, Seminole, Texas, Tillman, Washington, Washita, Woods, and Woodward.

The objective of this continuous origination policy is to allow eligible residents of the 57 counties to access OHFA funds whenever they are in the market to finance the purchase of an existing or newly constructed residence. First Gold Loans will fund under OHFA continuous origination policy. Lendable proceeds will be limited to \$1,000,000.

MORTGAGE LOAN FUNDING RESERVATIONS

Reservation Term and Expiration

A Mortgage Loan must close within **forty-five (45) days** following the related Reservation Date, which is **June 12, 2009**.

- If a Program Loan has not closed within 45 days from reservation date, OHFA will advise the lender in writing (via email) of the following:

The Reservation of funds will cancel and the Loan will not fund by OHFA unless the Lender submits (*within 5 Business Days of the OHFA Notice*) a \$700.00 Extension Fee, paid by the Mortgagor (or by the Lender or Seller on behalf of the Mortgagor).

The Extension Fee will be refunded, if the Loan closes by the Final Closing Date. An executed HUD I Settlement Statement and Declaration of Restrictive Covenant will be required to document the closing date and provide the basis for any refund of the Extension Fee.

COMPLIANCE REVIEW

Code Compliance Fee

The Lender will charge the Mortgagor a \$75.00 Code Compliance Fee, paid by the Mortgagor (or by the Lender or Seller on behalf of the Mortgagor). The Fee will be included in the Code Compliance package and must be a corporate check or money order paid to OHFA. OHFA requires a self-addressed, stamped envelope submitted with file for return of Approval Letter.

Tax Service Fee

All bond loans have a Tax Service Fee of **\$85.00**.

Compliance Review Process*

The compliance package will be assembled by the Lender for submission, review, and approval by OHFA:

- (1) For all types of Mortgage Loans, prior to purchase of the Mortgage Loan by the Master Servicer.
- (2) For all Loans, documents dated "Revised 2009" will be required.
- (3) Copy of original, signed Code Compliance Documents only for review (original bond documents shipped to US Bank MRB with Purchase File).
- (4) Fillable State Bond Documents only, Uploaded documents into lenders system will not be accepted.

Closing

The Originating Lender will fax to OHFA, within 5 days of closing:

- HUD 1 Settlement Statement signed by buyer (s) and seller (s) & settlement agent.
- Copy of the Declaration of Restrictive Covenant (Deed Restriction), signed by the lender and all buyers.

Certificate Holder

All GNMA Certificates backed by Mortgage Loans originated under this Program will be purchased and held by the Trustee.

TRUSTEE / MASTER SERVICER DESIGNATIONS

Trustee

Bank of Oklahoma serves as Trustee, Registrar, and Paying Agent with respect to OHFA bonds relating to this Program.

Master Servicer

The Master Servicer for this Program will be:

- **U.S. Bank Home Mortgage
MRBP Division
17500 Rockside Road,
Bedford, OH, 44146-2099
(800) 562-5163.**

The primary contact for this Program is:

- **Rodney Martin, Vice President Operations, (216) 475-8236**
E-Mail address: rodney.martin2@usbank.com.

LENDER AND MASTER SERVICER COMPENSATION

Originating Lenders

The Lender will receive a 0.25% Servicing Release Fee and 1.50% from OHFA paid to the Lender by the Master Servicer at the time each Mortgage Loan is purchased from the Lender. Total fees paid to participating Lenders are 1.75%.

Mortgage Loan Purchase Price

The purchase prices for Mortgage Loans delivered to the Master Servicer for purchase on/before the Final Sale Date are set forth in the Addendum to Program Notice.

Penalty for Late Delivery of Mortgage Loans*

The purchase prices stated above apply only to Mortgage Loans purchased by the Final Sale Date. OHFA is not obligated to cause the purchase of Mortgage Loans after the Final Sale Date. *Mortgage Loans accepted by the Master Servicer for purchase after the Final Sale Date will be subject to a late delivery penalty in the form of a purchase discount equal to 0.25% per month (or fraction thereof).*

Certificate Purchase Prices

GNMA Certificates are to be delivered to the Trustee for purchase on or before the Final Certificate Acquisition Date are purchased at the prices set forth in the Addendum to this Program Notice.

Servicing Fee

The Master Servicer will receive a Servicing Fee equal to 0.44% per annum on GNMA Certificates.

**Oklahoma Housing Finance Agency
Homeownership Loan Program**

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2009 A**

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INTEREST RATES, FEES AND PASS-THROUGH RATES

Mortgage Loan Stated Rates	1 st Gold Loans – FHA, VA & USDA-RD	5.83%
	OHFA Shield/4Teachers Loans	5.83%
Guaranty Fee	GNMA Certificates	0.06%
Servicing Fee	GNMA Certificates	0.44%
Pass-Through Rate	1 st Gold Loans – FHA, VA & USDA-RD	5.33%
	OHFA Shield/4Teachers Loans	5.33%

TIMETABLE / KEY DATES

Rate Setting Date		04/14/09
Bond Issuance Date		05/06/09
Start Date	10:00 AM	04/28/09
Reservation Deadline Date	Unrestricted Pool	07/28/09
	State Targeted Area Set-Aside	07/28/09
Compliance Package Final Delivery Date	Unrestricted Pool	08/11/09
	State Targeted Area Set-Aside	08/11/09
Final Closing Date	Unrestricted Pool	08/14/09
	State Targeted Area Set-Aside	08/14/09
Final Sale Date (Loan Purchased by Master Servicer)	Unrestricted Pool	09/17/09
	State Targeted Area Set-Aside	09/17/09

Final Certificate Issuance Date (Last Pooling Date)	Unrestricted Pool	09/24/09
	State Targeted Area Set-Aside	09/24/09

Final Certificate Acquisition Date (MBS Delivery)	Unrestricted Pool	10/01/09
	State Targeted Area Set-Aside	10/01/09

FEES, DISCOUNTS, AND PURCHASE PRICES		
New Lender Application Fee	One-Time Fee for New Participants	\$500.00
Issue Year Fee	One-Time Fee for All Approved Participants	\$400.00
Code Compliance Fee	All Mortgage Loans	\$75.00
Tax Service Fee	All Mortgage Loans	\$85.00
Mortgage Loan Origination Fee	All Mortgage Loans	0%
Mortgage Loan Discount	All Mortgage Loans	0%
Servicing Release Fee and OHFA Fees to Lenders	All Mortgage Loans	1.75%
Loan Closing Deadline Extension Fee	Fee is refunded if closed by the Final Closing Date or the Extended Closing Date	\$700.00

MORTGAGE LOAN PURCHASE PRICES		PRICE AS % OF PAR
Mortgage Loan Purchase Price*	1 st Gold Loans– FHA, VA & USDA-RD	105.25%
	OHFA Shield/4Teachers Loans	105.25%

(Note 1) (2009: 3.5% Down Payment Assistance)

Prices apply only to Mortgage Loans and Certificates purchased by Final Sale Date. OHFA is not obligated to cause the purchase of Mortgage Loans after the Final Sale Date. *Mortgage Loans that are accepted by the Master Servicer for purchase after the Final Sale Date will be subject to a late delivery penalty in the form of a purchase discount equal to 0.25% per month (or fraction thereof).*