



New Jersey Housing and Mortgage Finance Agency
Single Family Mortgage Programs

MORTGAGE PURCHASE AGREEMENT

Lender

Lender NMLS Number

Street Address

City, State, Zip

Email Address

MORTGAGE PURCHASE AGREEMENT

THIS MORTGAGE PURCHASE AGREEMENT, dated _____, 20_____, (the “Agreement” or “MPA”) between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, 637 South Clinton Avenue, Trenton, New Jersey 08611, (hereinafter referred to as “NJHMFA” or the “Agency”) and the institution designated as “Lender” on the cover page of this Agreement (hereinafter referred to as the “Lender”).

RECITALS

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Lender desires to sell, transfer, and assign, and the Agency desires to purchase and assume, all rights, title, and interest in and to certain Mortgage Loans.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and agreements herein, and intending to be legally bound, the parties do hereby agree as follows:

1. DEFINITIONS

Capitalized terms used in this Agreement, but not defined herein, have the meaning given them in the Agency’s Mortgage Program Policy and Procedures for Lenders (the “Guide”). In addition, the following terms shall, for all purposes of this Agreement, have the following meanings:

- a. **Document Delivery Date**- With respect to any Mortgage Loan sold or offered for sale to the Agency by the Lender under this Agreement, the date on which all documents and instruments required under the Guide to be delivered by the Lender to the Agency in connection with the sale of the Mortgage Loan have been delivered to the Agency or to any person, firm or corporation designed by the Agency to act on its behalf.
- b. **Down Payment Assistance (DPA)**- Agency provides second Mortgage Loans to qualified, eligible first-time homebuyers. The DPA can only be used once. PFRS is ineligible for NJHMFA DPA second Mortgage Loans.
- c. **Government-Sponsored Enterprise (GSE)**- A governmental entity such as Freddie Mac and Fannie Mae established to enhance the flow of credit to specific sectors of the U.S. economy while reducing risk of capital losses to investors.
- d. **Homebuyer Program**- First-loan mortgage products, including First-Time Homebuyer, Homeward Bound, Stay at Home, and any and all existing or future

first-loan product(s) offered by NJHMFA and financed through Mortgage Backed Securities (MBS) or Mortgage Revenue Bond (MRB) funding. Police and Fire Retirement System (PFRS) loans are not included.

- e. **Homebuyer Loans-** First-loan mortgages produced under the Homebuyer Program.
- f. **Insurers-** Includes FHA Insured Mortgage Loans, USDA Guaranteed Mortgage Loans, VA Guaranteed Mortgage Loans, and any Private Mortgage Insurers (PMI).
- g. **Investment-** Any funding provided by the Agency by an Investor for the purpose of providing Mortgage Loans.
- h. **Investor-** Any third party that provides funding or buys securities relating to the Mortgage Loans.
- i. **Mortgage Loan Delivery Schedule-** The schedule set forth in the applicable Term Sheet.
- j. **Mortgage Programs-** The residential single family Mortgage Loan purchase programs covered by this Agreement and the Guide.
- k. **Notice Address-** The address to which any notification to the Agency or the required under this Agreement should be provided, unless or until changed pursuant to this Agreement:
 - i. As to the Agency:
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08560-2085
Attention: Single Family Business Development Team
 - ii. As to the Lender: The address and contact information as set forth on the cover of this Agreement.
- l. **Notice of Acceptance-** The Agency's approval of the Lender to originate Mortgage Loans for Agency purchase.
- m. **Participation Application-** Any application by which the Lender requests participation in the Agency's Single Family Mortgage Programs for a given term and offers to sell Mortgage Loans to the Agency under such programs.

- n. Participation Fee-** Upon submission and approval of the Participation Application, a \$2,000 annual participation fee is required to be paid by the Lender upon acceptance of the approval. The fee is subject to change and shall be listed in the Application. The payment made by the Lender of an amount established in the Application as a consideration for the Agency's agreement, by acceptance of the Application of the Lender, to purchase a Mortgage Loan from the Lender under this MPA. The fee is due annually regardless of the term of the contract. The Participation Fee is nonrefundable and will be used by the Agency to advance the program, including system enhancements, website improvements, and other tools which will make the program more efficient for Lenders, homebuyers, and the Agency.
- o. Prior Approval-** The approval granted by the Agency after review of documents submitted to demonstrating compliance with the Mortgage Loan eligibility and processing requirements of the Guide, after which the Lender may issue a Firm Commitment to the Mortgagor.
- p. Starting Date of Program-** The date Lenders may begin accepting Mortgage Loan applications as specified in the Notice of Acceptance. In the Agency's sole discretion, the contract may be considered effective retroactively to January 1st of the calendar year.
- q. Third Party Origination (TPO)-** A loan that is originated by a TPO Mortgage Broker and processed, underwritten, funded, and closed by the Seller ("Lender") that sells the loan to NJHMFA.

2. RULES OF CONSTRUCTION

- a.** All warranties, representations, requirements, and terms of the Guide are incorporated into this Agreement by reference, as if fully set forth herein.
- b.** To the degree possible, this Agreement, the Lender Guide, and the Mortgage Programs' respective Term Sheets and guidelines shall be read in a complementary fashion. However, to the extent that there is a conflict of terms, this Agreement shall take precedence over all the rest, with the exception of Lender Bulletins released after publication of the Guide. The requirements of the Guide shall prevail if there is a conflict between the Lender Guide and the Term Sheets or Guidelines. The Agency reserves the right to publish Term Sheets as applicable.

- c. “Must,” “shall,” and/or “will,” even if not capitalized, establish a mandatory requirement; “can,” “may,” and/or “might,” whether or not these terms are capitalized, establish a permissive action.
- d. All terms in this Agreement, including defined terms, may be used in the singular or plural, as the context requires.

3. LENDER APPROVAL AND RENEWAL

After receiving the Notice of Acceptance and full execution and delivery of this Agreement, the Lender may originate Mortgage Loans, which shall comport with the requirements of this Agreement, the Guide, NJHMFA Underwriting Guidelines, Lender Bulletins, applicable Term Sheet, regulations, and GSE/Insurer guidelines for each Mortgage Program. The Participation Application constitutes an agreement by the Lender to sell to the Agency, and by the Agency, to purchase from Lender Mortgage Loans pursuant to the terms of this Agreement.

All Approved Lenders:

- a. Newly approved Lender’s staff shall complete all required NJHMFA training, and any training required by any Agency authorized designee and/or vendor, prior to being authorized to originate loans in adherence to the Guide.
- b. Lender must assure that all Mortgage Loans so originated are in full compliance with this Agreement and remains fully responsible for any obligation thereunder relating to such Mortgage Loan including but not limited to, any require repurchase of the Mortgage Loan (s).
- c. All Agency program loans must close in the name of the Lender. DPAs must close in the name of NJHMFA.
- d. After initial approval, each Lender will be required to be renewed to maintain their status as an approved NJHMFA Lender.
- e. Application: At the beginning of each calendar year or such time as the Agency shall designate, a Lender must re-submit to continue offering Agency Mortgage Loans during that year and submit all documentation as required in the Guide and under Applicable Law.

Broker/TPO Business:

- a. If the approved Lender elects to work with a TPO Mortgage Broker, the Lender remains fully responsible and liable for compliance of this Agreement, the Guide, NJHMFA Underwriting Guidelines, Lender Bulletins, applicable Term Sheet, regulations, and GSE/Insurer guidelines for all loans. The approved Lender must have effective written policies and procedures for the approval of a TPO which must include assurance that the TPO can produce quality loans.
- b. Lender may originate Mortgage Loans for sale to the Agency through TPO broker business, provided such mortgage broker is in compliance with all applicable state and federal requirements concerning licensing and regulation of mortgage brokers. The Lender is responsible for all warranties, representations, and required oversight of such mortgage brokers.
- c. If Lender originates Mortgage Loans for sale to the Agency through a TPO Mortgage Broker business from any single brokerage; loan volume may not exceed more than twenty-five percent (25%) of the Lender's NJHMFA overall volume, unless prior review and approval has been provided by the Agency.
- d. Lenders that intend to utilize TPO Mortgage Brokers in the origination of loans for sale to the Agency must notify the Agency of their intent to do so. The Lender must provide the Agency with a list of TPO Mortgage Brokers who will originate Agency loans within five (5) business days of retaining such mortgage broker and at least on a semiannual basis on the most current Agency form of contact list.
- e. All loans originated by a TPO Mortgage Broker must be indicated as such in the Agency system of record by the Lender.

4. PURCHASE AND SALE OF MORTGAGE LOANS

The Lender agrees to sell, and the Agency agrees to purchase Mortgage Loans that have been properly reserved with the Agency, and meet the eligibility requirements of the Agency, and any GSE/Insurer thereof, or Investor therein.

- a. Lenders participating in the NJHMFA Homebuyer Program are required to sell a minimum of five (5) closed, first-mortgage NJHMFA Homebuyer Loans annually to the Agency based on calendar year beginning January 1. Failure to meet this requirement in year one shall result in early termination of current contract. Failure to meet this requirement in year two shall result in the denial of this contract's renewal for the following term. However, in the event that a Lender may originate less than Fifty Million Dollars (\$50,000,000) in total first-mortgage volume for the given contracted year in which this requirement was not met, that

Lender may be granted an exemption for a contract extension. Furthermore, a Lender which may originate in excess of Fifty Million Dollars (\$50,000,000) in total first-mortgage volume for the given contracted year may make a Hardship Appeal of the non-renewal decision to the NJHMFA Director of Single Family. Minimum requirements for new Lenders will be pro-rated for the first year. Lenders only participating in the Police and Firemen's Retirement System (PFRS) loan program are exempt from the five-loan per calendar year requirement.

- b.** The Lender shall process and report applications for Mortgage Loans and deliver Mortgage Loans to the Agency in accordance with the Mortgage Loan Delivery Schedule.
- c.** The Agency shall purchase and pay for each Mortgage Loan properly submitted to it for purchase in accordance with the Guide, applicable Term Sheet, and guidelines upon the receipt of all documentation and exhibits required to clear any conditions that would inhibit purchase, the satisfactory review of all initial collateral documents, and where applicable, upon the issuance of a purchase authorization by the Agency's authorized/designated vendor.
- d.** The net purchase price payable by the Agency to the Lender on the purchase date for each Mortgage Loan purchased by the Agency shall be set forth in the Guide. The Mortgage Loans are sold servicing-released and the acquisition of servicing rights by the Agency are included in the purchase fee.
 - i.** All amounts collected by the Lender for establishing the initial escrow account shall be retained by the Lender and shall be subtracted from the Purchase Price of the Mortgage Loan.
 - ii.** If Lender refinances or the Mortgage Loan pays off within one hundred eighty (180) calendar days of the purchase, the Lender shall reimburse the Agency as an Early Payoff (EPO). See details in section 9 of this Agreement.
- e.** The Lender agrees to comply with all of the terms, conditions, and requirements of the Guide, Lender Bulletins, applicable Term Sheet, and guidelines in effect as of the Closing Date with respect to such Mortgage Loans closed thereon unless expressly waived by Agency Staff, in writing, under the process set forth in the Guide.
- f.** The Lender agrees that the Agency shall have the right to amend and supplement the Guide, Term Sheets, and guidelines for any or all of the Mortgage Programs from time to time by distributing the changed pages via electronic mail and posting on the Agency's website; such amendments or supplements to be effective five (5) business days after the date of the electronic mailing thereof

unless otherwise set forth; provided, however, that (i) in the event of any conflict between the provision of this Agreement and any provision of the Guide, Term Sheet, and guidelines as from time to time amended or supplemented, this Agreement shall govern and (ii) any amendments or supplements to the Guide, Term Sheet, and guidelines shall not apply to Mortgage Loans for which the actual Closing Date was prior to the effective date of the amendments or supplements.

5. CONDITIONS TO PURCHASE BY THE AGENCY

The Agency shall be obligated to purchase any Mortgage Loan offered for sale by the Lender under this Agreement only if the Mortgage Loan fully complies with the requirements of this Agreement and the Guide in all respects, including, but not limited to satisfying the following:

- a.** The Lender shall follow the reservation, eligibility, and document submission requirements of the Guide for each Mortgage Loan.
- b.** The Lender shall pay all costs of preparing and furnishing to the Agency and, if applicable, the insurer and/or guarantor, the Mortgage Documents, and the Mortgage Loan file.
- c.** As set forth in the Guide, certain mortgage documents will be reviewed by the Agency or its duly authorized/designated vendor (who shall be the Agency's designee) prior to accepting the Mortgage Loan for purchase.
 - i.** For any Mortgage Loan that the Agency or its designee has deemed in whole or in part defective or deficient, the Agency may refuse to purchase the Mortgage Loan, and if applicable, the accompanying down payment assistance loan (i.e., "NJHMFA DPA" or any such similar program that may be offered by the Agency at the time of purchase submission) until the Lender cures any and all defects
 - ii.** The Agency or its designee shall also complete monthly quality control reviews of Mortgage Loans post-purchase on a random and discretionary sample of the loans purchased as per Guide or per GSE/Insurer quality control requirements of the subject program under which the Mortgage Loan was originated. The Lender will be required to correct any deficiencies or defects found during such quality control review within sixty (60) calendar days of being so notified by the Agency or the Lender may be required to repurchase the Mortgage Loan. Lenders whose quality

control review reveals a loan defect rate that is greater than 20% above the average defect rate of all Lenders may be subject to additional requirements, including but not limited to required trainings held by NJHMFA staff, required quality control review of a higher percentage of delivered loans, additional agency pre-closing loan review, and/or a limitation of the origination of some or all Agency programs or up to and including suspension or termination of business with Agency. The cost of the additional loan review shall be paid by the Lender, and may be netted from the loan purchase price at the time of purchase.

- iii. The Agency's retention of a designee to perform any Mortgage Loan review functions shall not constitute a waiver of any warranty, representation, or covenant by the Lender or the Mortgager with respect to the Mortgage Loan.
- d. The Agency's timing to review and purchase Mortgage Loans shall take place as set forth in the Guide.
- e. The Mortgage Loan was lawful under all applicable local, State, and Federal laws, rules and regulations that govern the affairs of the Lender, the Agency, and the Mortgagor. See section i of this section for additional detail.
- f. The note evidencing the Mortgage Loan is a legal, valid, and binding obligation of the maker thereof and is enforceable in accordance with its terms and is secured by a first mortgage lien upon the property. No counterclaim, set-off, defense, or right of rescission exists that can be asserted and maintained by the Mortgagor or any successor in interest of the Mortgagor against the Lender or the Agency, as assignee of the Mortgage Loan.

If at any time subsequent to the Agency's purchase and/or securitization of a Mortgage Loan to which the right of rescission may apply, the Mortgagor raises a claim or assertion based on rescission, the Mortgage Loan will be subject to the issuance of a release of any and all liability of the Agency in relation to the assertion of a rescission and any and all underlying claims which may arise as a result of the assertion of rescission.

- g. The Mortgage Loan application was taken and the related Firm Commitment to Mortgagor was made after the Starting Date of Program. The Mortgage Loan was made to finance the purchase of an Eligible Property and all improvements financed have been fully completed or moneys have been placed in escrow.

- h.** The Mortgage Loan shall have been closed by the Lender and/or its closing agent.
- i.** The Mortgage Loan at the time it was made, conformed to applicable laws, regulations, administrative rules, executive orders, and official guidance of the State, Federal government, and/or any other jurisdiction that regulate the issuance of Mortgage Loans in the State, including, without limitation, the Lender's ability to originate the financing; requirements of the Agency's funding sources upon assumption of the Mortgage Loans; and/or provide for consumer and/or investor protection in the advertisement, application, obtaining, and servicing of the property financing.
 - i.** "Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)" (TILA-RESPA Final Rule) of 2012, effective in 2015, and amended 2016. The Act is also known as TILA-RESPA Integrated Disclosures ("TRID") and "Know Before You Owe" ("KBYO");
 - ii.** The Real Estate Settlement Procedures Act of 1974;
 - iii.** The Truth in Equal Lending Act of 1968;
 - iv.** The Equal Credit Opportunity Act;
 - v.** The Fair and Accurate Credit Transaction Act of 2003;
 - vi.** Title VII of the Civil Rights Act of 1968 (also known as the Fair Housing Act);
 - vii.** The Gramm-Leach-Bliley Act (P.L. 106-102 (1999));
 - viii.** The Helping Families Save their Homes Act of 2009;
 - ix.** The National Flood Insurance Act of 1968;
 - x.** The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (also known as The SAFE Act);
 - xi.** The USA PATRIOT Act;
 - xii.** The Dodd-Frank Wall Street Reform and Consumer Protection Act;
 - xiii.** The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA);
 - xiv.** Enabling legislation and regulations of the Lender's Federal prudential regulator and the Federal Financial Institutions Examination Council (FFIEC), as applicable;
 - xv.** Section 143 of the Internal Revenue Code;
 - xvi.** N.J.S.A. Title 17, Corporations and Institutions for Finance and Insurance and administrative rules promulgated thereunder, N.J.A.C. Title 3 (for State- licensed or- chartered lenders) and N.J.A.C. Title 11;
 - xvii.** The New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.;
 - xviii.** The New Jersey Consumer Fraud Law, N.J.S.A. 56:8-1 et seq.;
 - xix.** The New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq.;

- xx. N.J.S.A. 43:16A-16.9 through 16.16 (PFRS Mortgage Loan program);
- xxi. N.J.S.A. Title 46, Property;
- xxii. N.J.S.A. 19:44A-1 et seq.; and
- xxiii. N.J.S.A. Title 52 as relates to Agency contracting.

The above list shall also be construed by the parties to this Agreement to include any and all laws, regulations, official guidance, and guidelines applicable to the Lender's performance of this Agreement and/or Mortgage Loans originated hereunder during the terms of this Agreement, and which are enacted or promulgated subsequent to execution hereof.

By accepting payment for each Mortgage Loan on its respective Purchase Date, the Lender shall be deemed to have represented and warranted that all such conditions of this Agreement and the Guide have been met (as to conditions precedent to purchase) or will have been met (as to conditions subsequent to the purchase).

6. LENDER REPRESENTATIONS, WARRANTIES, AND COVENANTS

The Lender represents, warrants, and covenants that:

- a. The Lender and all of its staff who originate or process or underwrite or assist with the delivery of loans for purchase to the Agency have read and understood this Agreement and the Guide.
- b. The Lender is, and shall continue to be, a corporation, partnership, limited liability company, or other business entity duly organized and validly existing and in good standing under the laws of the jurisdiction under which it was originated and has the power and authority, corporate and other, to own its properties and carry on its business as now being conducted and is duly qualified to do such business in the State of New Jersey and wherever such qualification is required.
- c. The Lender is not subject to any action, suit, proceeding inquiry or investigation pending or threatened, which, either in one incident or in the aggregate, would be likely to result in any material or adverse change in the business, operations, financial condition, properties, or assets of the Lender, or in any material liability on the part of the Lender or which would draw into question the validity of this Agreement or the Mortgage Loan or of any action taken or to be taken in connection with the obligations of the Lender contemplated herein, or which

would be likely to impair materially the ability of the Lender to perform under the terms of this Agreement.

- d. The Lender is not under any cease-and-desist order or other order of a similar nature, temporary or permanent, of any Federal or State authority, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.
- e. The Lender is a bank or trust company, savings bank, national or State banking association, savings and loan association, or credit union or a mortgage banking firm or mortgage banking corporation, or other entity that is State and/or Federally-regulated and authorized to originate Mortgage Loans in the State of New Jersey, has authority to transact business in the State of New Jersey and maintains an office in the State where members of the public may go to apply for Mortgage Loans.
- f. The Lender is:
 - i. Approved to originate Mortgage Loans to and for Fannie Mae and/or Freddie Mac and/or have access to that entity's underwriting software system; and/or
 - ii. A "Supervised Lender" as classified by the VA under Section 500(d) of the Servicemen's Readjustment Act; and/or
 - iii. An FHA-approved mortgagee;
 - 1. If the lender is a bank or trust company, savings bank, national banking institution, savings and loan association, or credit union, or other institution originating Mortgage Loans the Lender must maintain an office in the State of New Jersey and be able to demonstrate to the Agency and any Investor, if applicable, that the Lender is in compliance with Title 12 of the United States Code or other acts of government that may be promulgated from time to time with respect to any Federal, State, or quasi-governmental agency having appropriate jurisdiction over the Lender's ability to originate Mortgage Loans under this Agreement.
 - 2. If the Lender is a mortgage lender and is owned by or affiliated with an entity that is a bank or trust company, savings bank, national banking institution, savings and loan association, or credit union or

other institution originating Mortgage Loans, then the Lender must maintain an office in the State and be able to demonstrate to the Agency and any Investor, if applicable, that the Lender's owner or affiliated entity is in compliance with applicable laws that may be promulgated from time to time with respect to or by any Federal, State, or quasi-governmental agency having appropriate jurisdiction over the Lender's ability to originate Mortgage Loans under this Mortgage Agreement.

3. If at any time during the course of participating in the Agency Mortgage Programs, the Lender fails to meet the above criteria, it must so notify the Agency immediately. The Agency and the Investor, if applicable, will be permitted to take any and all appropriate actions that are consistent with the terms of this Agreement. Failure to immediately notify the Agency and the Investor, if applicable, pursuant to this paragraph, will be grounds for immediate termination of this Agreement.
4. The Agency, with the consent of any Investor or bond insurer, if applicable, in each entity's sole discretion, may waive or modify certain of the above criteria. However, all Lenders must meet and all times while participating in Mortgage Programs of the Agency, be in compliance with requirements above.
5. If the Lender is a mortgage lender and is owned by or affiliated with an entity that is a bank or trust company, savings bank, national banking institution, savings and loan association, or credit union or other institution originating Mortgage Loans, then the Lender must maintain an office in the State and be able to demonstrate to the Agency and any Investor, if applicable, that the Lender's owner or affiliated entity is in compliance with applicable laws that may be promulgated from time to time with respect to or by any Federal, State, or quasi-governmental agency having appropriate jurisdiction over the Lender's ability to originate Mortgage Loans under this Mortgage Agreement.
6. If at any time during the course of participating in the Agency Mortgage Programs, the Lender fails to meet the above criteria, it must so notify the Agency immediately. The Agency and the Investor, if applicable, will be permitted to take any and all appropriate actions that are consistent with the terms of this

Agreement. Failure to immediately notify the Agency and the Investor, if applicable, pursuant to this paragraph, will be grounds for immediate termination of this Agreement.

7. The Agency, with the consent of any Investor or bond insurer, if applicable, in each entity's sole discretion, may waive or modify certain of the above criteria. However, all Participating Lenders must meet and at all times while participating in Mortgage Programs of the Agency, be in compliance with requirements above.
- g. This Agreement is a legal, valid, and binding agreement of the Lender, enforceable according to its terms, the making and performance of which have been duly authorized by all necessary corporate and other action and will not constitute a violation of any law, any requirement imposed by any judicial or arbitral body or government instrumentality, or the charter or by-laws of the Lender, or a default under any agreement or instrument by which it is bound or affected.
- h. Neither the execution and delivery of this Agreement, the origination and acquisition of the Mortgage Loans by the Lender, the sale of the Mortgage Loans to the Agency, or the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement shall conflict with or result in a breach of the terms, conditions, or provisions of the Lender's charter or by-laws, or any legal restriction of any agreement or instrument to which the Lender is now a party or by which it is bound, or constitute a default, or result in an acceleration under any of the foregoing, or result in the violation of any law, regulation, order, judgment, or decree to which the Lender or any of its property is subject, or impair the ability of the Agency to enforce any of the Mortgage Loans according to their terms, or impair the value of any of the Mortgage Loans.
- i. Neither the making nor performance of this Agreement by the Lender requires the consent or approval of any governmental instrumentality or, if such consent or approval is required, it has been obtained in writing by the Lender and is submitted to the Agency prior to the execution of this Agreement.
- j. The Lender shall not knowingly take any action or permit any action to be taken which would impair the exemption from Federal income taxation on interest on the Agency's Qualified Mortgage Revenue Bonds.

- k. The Lender shall comply with all procedures in the Guide relating to the acceptance and reporting of Mortgage Loan applications on a first-come first-served basis.
- l. The Lender shall not sell or assign to the Agency any “high-cost home loan” as defined in the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 or a “high-cost mortgage” as defined under Consumer Financial Protection Bureau (CFPB) regulations.
- m. Neither this Agreement nor any statement, report, or other document furnished or to be furnished by the Lender pursuant to this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statements contained therein not misleading, and, to the best of the Lender’s knowledge, no statement, report, or other document furnished by any party other than the Lender in connection with this Agreement contains any untrue statement of material fact or omits a material fact necessary to make the statement contained therein not misleading.
- n. The Lender shall comply with all statutes, rules, and regulations applicable to its activities under this Agreement, including without limitation, any rule or regulation of the Lender’s Federal prudential regulator or, if applicable, the State of New Jersey, Department of Banking and Insurance, or any other regulatory body having jurisdiction over the Lender. At all times, the Lender shall be properly licensed and in compliance with applicable laws, registration, and reporting requirements of the State, Federal, or other applicable and relevant authorities governing lending and mortgage related activities, including the CFPB and U.S. Department of Housing and Urban Development (HUD).
- o. The Lender is not subject to Federal debarment or suspension for engaging in fraudulent, predatory, or discriminatory lending, or for engaging in redlining activities, and is not under investigation for its lending practices by any State or Federal authority with jurisdiction over the Lender. Likewise, the Lender and its staff, and third-party vendors or mortgage brokers working on Agency loans are not listed on any exclusionary or disbarred list.
- p. The Lender is a lending institution that has been approved to participate in any of the Agency’s Mortgage Programs described in the Guide.
- q. The Lender does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement.

- r. The Lender, upon learning that any violation of any provision of this Agreement has occurred or may occur, shall notify the Agency in writing within ten (10) business days.
- s. The Lender, by execution of this Agreement and by the submission of any bills or invoices for payment, or acceptance of payment pursuant thereto, certifies and represents that there have been no violations of any of these provisions.
- t. The Agency and the Lender both agree to comply with all privacy and non-disclosure requirements and restrictions required under The Gramm-Leach-Bliley Act, P.L. 106-102 (GLBA), enacted November 12, 1999 and 16 C.F.R. Part 313 (2000). However, the parties acknowledge and agree that any such compliance remains subject to the New Jersey Open Public Records Act (OPRA), and judicial subpoena.
- u. The Agency and the Lender agree that the Agency does not make any representations or warranty regarding the accuracy of any information that Lenders obtain from third party vendors such as The Down Payment Resource Group, Optimal Blue, or any such pricing engine vendor. The Lender must ensure that all Single-Family Mortgage Loans meet the Agency requirements outlined in the Seller's Policy and Procedure Guide and the Lender Bulletins.

The representations, warranties, and covenants contained in this Section 6 shall be true and correct when made, and by accepting payment for each Mortgage Loan on its respective Purchase Date, the Lender shall be deemed to affirm that these representations, warranties, and covenants remain true and correct as of that Purchase Date and continuing thereafter until the parties have no further obligations under this Agreement for that Mortgage Loan's purchase.

7. LENDER INTEGRITY, RESPONSIBILITY, AND NONDISCRIMINATION

- a. The Lender shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of State or Federal laws, regulations, or other requirements that govern contracting with the Agency.
- b. The Lender shall not discriminate against any applicant, borrower, or prospective borrower because of any characteristic of a protected class as set forth in the New Jersey Law Against Discrimination, N.J.S.A. 10:5-12, et seq., as the same may be amended from time to time. In particular:

- i. Lender shall not discriminate against any person or group of persons because of race, creed, color, national origin, ancestry, marital status, civil union status, domestic partnership status, pregnancy or breastfeeding, sex, gender identity or expression, affectional or sexual orientation, disability, liability for service in the Armed Forces of the United States, familial status or nationality, in the granting, withholding, extending, modifying, renewing, or purchasing, or in the extension of services in connection therewith; or
 - ii. Use any form of application for such loan, extension of credit or financial assistance, or to make record or inquiry in connection with applications for any such loan, extension of credit or financial assistance, which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, creed, color, national origin, ancestry, marital status, civil union status, domestic partnership status, pregnancy or breastfeeding, sex, gender identity or expression, affectional or sexual orientation, disability, liability for service in the Armed Forces of the United States, familial status or nationality or any intent to make any such limitation, specification, or discrimination; unless required by law or regulation to retain or use such information.
- c. The Lender shall not engage in any unfair, deceptive, or abuse acts or practices under State and/or Federal consumer protection laws when accepting applications; dealing with Applicants, Borrowers, and/or Co-Signers for Mortgage Loans; and/or in originating the Mortgage Loans.

It is the policy of the Agency not to originate, purchase, or accept assignment of any predatory loan, and in particular any “high-cost home loan” as defined by the New Jersey Home Ownership Security Act of 2002, as amended (“HOSA”), N.J.S.A. 46:10B-22. Therefore, the Lender has represented in this Purchase Agreement that it shall not sell or assign to the Agency any “high-cost home loan” as defined by the HOSA or a “high-cost mortgage” defined under CFPB regulations.

- d. The Lender shall not disclose to others any confidential information gained, from whatever source, by virtue of this Agreement. However, under Applicable Law, the borrower’s information can be shared with third parties for the normal course of business in producing the loans.
 - e. The Lender shall not, in connection with this or any other agreement with the State and/or the Agency, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion,

recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the State and/or the Agency.

- f. Upon request of the Agency; the State of New Jersey, Department of Law and Public Safety; or any other State or Federal governmental entity with regulatory or prosecutorial authority over the Lender and/or the Mortgage Loans, the Lender shall promptly make available for inspection, copying, and auditing, all business and financial records of the Lender of, concerning, and referring to this Agreement, or which are otherwise relevant to the enforcement of these provisions or the Mortgage Loans offered to the Agency hereunder. This right of access will continue for the term of any document retention requirement relating to the Mortgage Loans under applicable laws, the term of any document retention requirements of any insurer and/or guarantor of the Mortgage Loans, or seven (7) years from the date the Agency purchases the loan, ***whichever is longer***.
- g. In order to ensure that all persons meet a standard of responsibility which assures the Agency, the State, and its citizens that such persons will both compete and perform honestly in their dealings with the Agency and avoid conflicts of interest, all persons are prohibited from engaging in the following activities:
 - i. No person shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Agency member or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i, of any such member or employee, or to any partnership, firm, or corporation with which such member, employee or member of their immediate family is employed or associated, or in which such member or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.
 - ii. No person shall, directly or indirectly, undertake any private business, commercial, or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Agency member or employee having duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Agency. No person shall, directly or indirectly, undertake any private business, commercial, or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to any individual, firm, or entity with which such member or employee is employed or associated or has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this

provision shall be reported in writing forthwith to the State Ethics Commission, which may grant a waiver of this restriction upon application of the member or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

- iii. No person shall influence, or attempt to influence or cause to be influenced, any Agency member or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said member or employee.
 - iv. No person shall cause or influence, or attempt to cause or influence, any Agency member or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the person or any other individual or entity.
- h. All persons shall report to the Attorney General of New Jersey and State Ethics Commission the solicitation of such persons of any fee, commission, compensation, gift, gratuity, or other thing of value by an Agency member or employee.
- i. The prohibited activities in (g) 1 through 4 above shall not be construed to prohibit a person from offering or giving gifts to or contracting with an Agency member or employee, nor be construed to prohibit an Agency member or employee from receiving gifts from or contracting with a person, and shall not be grounds for debarment pursuant to N.J.A.C. 5:80-18.2(a)15, provided that such activities are offered or made under the same terms and conditions that are available to members of the general public and are consistent with any rules promulgated by the State Ethics Commission.
- j. For violation of any of the provisions of this Section, the Agency may terminate this and any other Agreement with the Lender, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another entity to complete performance hereunder, and debar and/or seek suspension of the Lender from doing business with the Agency. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Agency may have under this Agreement or under any law, statute, or regulation.

- k. The Lender, upon learning that any violation of these provisions has occurred or may occur, shall notify the Agency in writing within ten (10) business days.
- l. The Lender, by execution of this Agreement and by the submission of any bills or invoices for payment, or acceptance of payment pursuant thereto, certifies and represents that it has not violated any of these provisions.

The Lender agrees when executing this Agreement, and by accepting payment for each Mortgage Loan on its respective Purchase Date, that it has and will continue to abide by the requirements of this Section 7 until the parties have no further obligations under this Agreement for that Mortgage Loan's purchase.

8. DISCLOSURES, CERTIFICATIONS, AND QUESTIONNAIRES

a. Political Campaign Contributions

For the purpose of this subsection, the following shall be defined as follows:

“Contribution” means a contribution reportable by a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act” P.L. 1973, c. 83 (C.19:44A-1 et seq.) (See, e.g., https://www.njleg.state.nj.us/2004/Bills/PL05/51_.PDF) , (https://www.njleg.state.nj.us/2004/Bills/PL05/51_.pdf), a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee, or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of \$200 during a reporting period are deemed “reportable” under these laws.

“Business Entity” means:

- i. a for-profit entity as follows:
 - 1. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of corporation;
 - 2. in the case of a general partnership: the partnership and any partner;

3. in the case of a limited partnership: the limited partnership and any partner;
 4. in the case of a professional corporation: the professional corporation and any shareholder or officer;
 5. in the case of a limited liability company: the limited liability company and any member;
 6. in the case of a limited liability partnership: the limited liability partnership and any partner;
 7. in the case of a sole proprietorship: the proprietor; and
 8. in the case of any other form of entity organized under the laws of this State or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;
- ii. any subsidiary directly or indirectly controlled by the Business Entity;
 - iii. any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Business Entity, other than a candidate committee, election fund, or political party committee;
 - iv. principals who own or control more than ten percent (10%) of the profits or assets of a Business Entity or ten percent (10%) of the stock in the case of a Business Entity that is a corporation for profit ("Principals"); and
 - v. with respect to an individual who is included within the definition of Business Entity, the individual's spouse or civil union partner, and any child residing with the individual, provided, however, that, P.L. 2005, c. 51 shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005 c. 51 (C.19:44A-20.1 et seq.) ("Chapter 51").

The terms, restrictions, requirements, and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this Agreement by reference as material terms of this Agreement with the same force and effect as if P.L. 2005, c. 51 were stated herein

its entirety. Compliance with P.L. 2005, c. 51 by the Lender shall be a material term of this Agreement.

The Lender hereby certifies to the NJHMFA that commencing on and after October 15, 2004, the Lender (and each of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between the Lender and the NJHMFA pursuant to P.L. 2005, c.51. The Lender hereby further certifies to the NJHMFA that any and all certifications and disclosures delivered to the NJHMFA by the Lender (and each of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) are accurate, complete, and reliable. The certifications made herein are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made in violation of P.L. 2005, c. 51, the NJHMFA shall have the right to declare this Agreement to be in default.

The Lender hereby covenants that the Lender (and each of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any Contributions of money, or pledge of a Contribution, including in-kind Contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the expiration or earlier termination of this Agreement. The provisions of this Section are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made by the Lender (and each of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) in violation of P.L. 2005, c. 51, the NJHMFA shall have the right to declare this Agreement to be in default.

In addition to any other default specified in this Agreement, the NJHMFA shall have the right to declare a default under this Agreement if:

- i. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51;
- ii. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received;

- iii. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of a Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution;
- iv. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee;
- v. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51;
- vi. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees;
- vii. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c.51;
- viii. the Lender (or any of its Principals, subsidiaries, and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51; or
- ix. any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by the Lender to the NJHMFA in connection with this Agreement.

The Lender hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, the Lender shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this Agreement. If after the effective date of this Agreement and before the entire purchase price is paid to the NJHMFA, any Contribution is made by the Lender and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, the NJHMFA shall have the right to declare this Agreement to be default.

b. Doing Business with Iran, Russia, or Belarus Certification

The Lender hereby acknowledges that pursuant to L. 2012, c. 25, Section 4 (N.J.S.A. 52:32-58), the Lender shall be required to file a certification with the State of New Jersey that the Lender nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the New Jersey Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran (the form of which is available at <http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf>), on or before the date of the Starting Date of Program. The certification must be submitted to NJHMFA. Compliance with this certification requirement is a material term and condition of this Agreement and is binding on the Lender.

Pursuant to N.J.S.A. 52:32-58 and P.L. 2022, c. 3, the Lender must also certify that neither the Lender nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32(e)(3) or in 1(e) of P.L. 2022, c.3), are listed on the Department of the Treasury's Lists of Persons or Entities Engaging in Prohibited Investment Activities in Russia or Belarus and that none are involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f) or in P.L. 2022, c.3. Lender's signature on this Agreement shall constitute Lender's required certification unless the Agency, in its sole discretion, shall require a separate form of certification. If the Lender is unable to so certify, the Lender shall provide a detailed and precise description of such activities.

c. Political Campaign Contributions Disclosure

The Lender hereby acknowledges that the Lender has been advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Lender enters into agreements or contracts, such as this Agreement, with a public entity, such as the

NJHMFA, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities such as the NJHMFA, in a calendar year. It is the lender's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (609) 292-8700 or at www.elec.state.nj.us.

9. LENDER NON-COMPLIANCE THAT MAY LEAD TO FEES

- a. As set forth in the Guide, the Agency will assess fees on the Lender for the late delivery of complete, properly stacked Mortgage Loan documents.
 - i. Purchase Submissions:

Complete and timely purchase submission packages must be submitted as set forth on the applicable document checklist. Wiring instructions are to be included in the Purchase Package. Failure to meet delivery times may result in temporary suspension from the Lender Portal and the imposition of additional fees. ***Obtaining the necessary extensions and paying the fees therefor are the sole responsibility of the Lender.***
 - ii. Trailing Document Submissions:

All trailing documents are required within ninety (90) calendar days of the purchase date. If any trailing documents are not received and are aged more than one hundred twenty (120) calendar days, NJHMFA may, in its sole discretion, assess the Lender \$25 per document, per month, or in the alternative, the Lender may be required to repurchase the Mortgage Loan.
- b. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to this Agreement.
- c. Early Payment Default ("EPD") is defined as a first lien loan closed in the Lender's name and delinquency occurs when any of the first six (6) mortgage payments is sixty (60) calendar days or more delinquent.
- d. EPD Default Requirements and fees:

- i. If any of the first six (6) payments becomes sixty (60) calendar days or more delinquent, the Agency, at its sole discretion, will require the Lender to repay the full premium amount of 2.75 points of the purchased Unpaid Principal Balance (UPB) plus a \$2,000 EPD fee. All EPD loans may trigger a quality control review by the Agency's Audit Division which may lead to immediate repurchase by the Lender. Any loan that fails a GSE/Insurer EPD policy, will be subject to immediate repurchase, at the Agency's discretion, regardless of any quality control review on the loan.

Note: Police and Fire loans are subject to the \$2,000 EPD fee only and repurchase as applicable.

- ii. Additional Early Delinquency Requirements Pre- and Post-Purchase:

In addition to the EPD policy, the Agency will be tracking all pre-purchase and post-purchase delinquencies. If any mortgage payment is due prior to purchase by the Agency or the first mortgage payment due to the Agency is delinquent where by the delinquency is greater than or equal to thirty (30) calendar days, the Lender shall be subject to a \$2,000 first payment delinquency fee. In addition, the Lender shall be obligated to indemnify the Agency for two (2) years from all liabilities, obligations, losses, damages, penalties, fines, forfeitures, court costs, and reasonable attorneys' fees, judgments, suits, and any other cost or fees directly or indirectly resulting from delinquency of the loan. If the Lender does not accept the indemnification obligation requirement, immediate repurchase shall be required. If a loan has not been purchased by the Agency, the loan will not be purchased without the executed indemnification.

- e. Early Payoff ("EPO") is applicable if a loan sold by the Lender to the Agency is paid in full within one hundred eighty (180) days (excluding the purchase date, but including the day of payoff) following the purchase by the Agency. The Lender shall be charged an early payoff fee in accordance with the following:

- i. The full premium amount of 2.75 points of the purchased UPB.

Note: An early payoff fee may not be passed on to the borrower and must be incurred by the Lender.

Note: An EPO fee is not applicable to Police and Fire loans.

10. LENDER NON-COMPLIANCE THAT MAY LEAD TO REPURCHASE

Mortgage Loan Non-Compliance- Failure or Inability to Cure

The Agency may issue a Repurchase demand for any non-compliant Mortgage Loan for an amount equal to the then unpaid principal balance of such Mortgage Loan, plus accrued interest and costs incurred by NJHMFA, any service release premium paid, and any originations fees paid to the Lender for the subject Mortgage Loan. If the Agency requires Repurchase on a Mortgage Loan provided to a particular Borrower, that Repurchase demand shall also apply to any Agency down payment and closing cost assistance subordinate Mortgage Loans issued to that Borrower. The bases for Repurchase include, but are not limited to:

- a.** The Agency reserves the right to have the Lender Repurchase Mortgage Loans that have not been originated in compliance with Applicable Laws, this Agreement, the Guide, and/or applicable Term Sheets, guidelines, Lender Bulletins, rules and regulations for which required documentation has not been submitted to the Agency or its agent(s) within the required time frame. Repurchase of loans may be required based on non-compliance with Federal tax-exempt bond requirements, and CFPB requirements. In addition, failure to provide critical documents including, but not limited to, those required for tax exempt bond compliance, applicable mortgage insurance, guaranty certificate, and critical documents related to the security of the loan (e.g., Note, Mortgage, Assignment of Mortgage, or title policy) may also require Repurchase. Failure to obtain applicable mortgage insurance or guaranty and/or submit the Mortgage Insurance Certificate or guaranty evidencing such insurance or guaranty, and/or failure to timely notify FHA of the sale of the Mortgage Loan and the accompanying transfer of the accompanying FHA Case Number to the Agency may result in the required Repurchase of the Mortgage Loan by the originating Lender.
- b.** If the Lender failed to comply with Applicable Laws as to a particular Mortgage Loan, the Agency will require Repurchase.
- c.** The Agency will require Repurchase of any Mortgage Loan for which any Borrower and/or Co-Signer has made, with the knowledge of the Lender, any misrepresentation or misstatement of a material fact in any document related to the Mortgage Loan or any misrepresentation of a material fact by the Lender.
- d.** The Agency shall require Repurchase of any Mortgage Loan for which the Lender amends, modifies, or incorrectly reproduces Agency documents, or utilizes any

document that does not comply with Applicable Law or the requirements of the applicable mortgage insurer/guarantor and the Agency, in its discretion, determines that such incorrect form affects the Mortgage Loan's legality, validity, security, and secondary market salability or compliance with Applicable Laws.

- e. If the Property is not free and clear of liens, encumbrances or claims by third parties or otherwise lacks good title, and the Lender fails to or cannot cure such deficiency, the Agency shall require Repurchase.
- f. If the lien of the Mortgage Loans are not valid first liens as to any purchase money or refinance Mortgage Loan and valid second lien as to any agency down payment or closing cost subordinate Mortgage Loan, the Agency may require that the Lender Repurchase the Loans if the Lender does not or cannot timely cure such deficiency.
- g. If at the time of closing the improvements on the real property securing the Mortgage Loan are not covered by a valid and subsisting policy of hazard insurance and flood insurance (if applicable) in an amount sufficient to compensate the Agency for a loss equal to the full amount of the unpaid balance of the Mortgage Loan.
- h. If any representation is inaccurate when made by the Lender or in the event of any breach of covenant or warranty by the Lender, and/or the Lender fails to deliver all required documents within the required time period established in the Guide, the Agency will require Repurchase of all Mortgage Loans that the Agency determines are affected by that inaccuracy, breach, and/or failure.
- i. The Lender fails to submit a complete Mortgage Loan file to the Agency, or if any material defect or inaccuracy cannot be cured to the satisfaction of the Agency within the sixty (60) calendar day period, or such shorter period set forth in the Guide with respect to a particular defect or inaccuracy.
- j. The Lender shall be required to Repurchase any Mortgage Loan that is randomly selected for a Quality Control review and/or selected for Quality Control review as a result of an Early Payment Default and the loan is determined not salable. If the loan is determined as salable and insurable per the GSE/Insurer, but has deficiencies that are unable to be cured, the Lender may be subject to indemnifying the Agency for any losses on the loan, and financial penalties as determined by the Agency. These penalties may include reimbursing NJHMFA for all liabilities, obligations, losses, damages, penalties, fines, forfeitures, court costs and reasonable attorneys' fees, judgments, suits, and any other costs or fees

directly or indirectly resulting from identified deficiencies that are unable to be cured, plus a fee of \$2,000 in connection with the Loan. Ongoing material loan deficiencies may lead to termination of this Agreement.

k. GSE/Insurer or any Investor requires the Agency to repurchase a Mortgage Loan.

l. Calculation of Amounts Due Through Repurchase Price and Procedure:

The Lender shall Repurchase any Mortgage Loan within five (5) business days of the demand notification, in an amount equal to the unpaid principal balance of the Mortgage Loan multiplied by the discount percentage paid by the Agency with an adjustment for accrued interest at the time of Repurchase, plus the aggregate amount of any advances and interest thereon, plus an amount equal to any attorneys' fees, legal expenses, court costs, or other expenses, including the origination fee paid by the Agency as part of the purchase price, incurred by the Agency in connection with such Mortgage Loan and the Repurchase thereof. Where applicable, the Repurchase price shall include all amounts due on any related Agency issued down payment assistance/closing cost subordinate Mortgage Loan.

If an appeal or dispute is required, however, GSE/Insurer does not accept a repurchase appeal or dispute and does not rescind the repurchase demand, a repurchase demand will be forwarded to the Lender requiring Repurchase of the loan within five (5) business day of the demand receipt.

i. The Repurchase price of the Mortgage Loan shall be remitted by the Lender to the Agency, and the Agency shall assign and deliver the related Mortgage Documents to the Lender, and execute and deliver such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Lender such Mortgage Loan.

The Lender hereby waives any statute of limitation or law that might otherwise be raised in defense to any Repurchase obligation hereunder.

ii. Any and all such service transfers which occur as a result of a Repurchase Demand are subject to all applicable Transfer of Servicing/Servicer Transfer rules and regulations.

m. If the Lender has been required to Repurchase a Mortgage Loan pursuant to this Section 9, the Lender may reoffer that Mortgage Loan for sale to the Agency if all deficiencies causing the Repurchase have been cured with the exception of any

Mortgage Loan under which an Early Payment Default or significant delinquency has occurred. The Agency is not obligated to repurchase the loan(s) reoffered.

- n. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to this Agreement.

11. LENDER NON-COMPLIANCE THAT CAN RESULT IN TERMINATION OF THIS AGREEMENT

- a. The Agency reserves the right to terminate upon electronic mail delivery of a written notice, the Lender's authority to participate as an Agency Lender upon the happening of any of the following:
 - i. The Lender violates any provision of Applicable Laws, this Agreement, the Guide, applicable Term Sheets and/or guidelines;
 - ii. Any representation, covenant, or warranty in this Agreement made by the Lender to the Agency fails to be true and accurate in all material respects;
 - iii. The Lender fails to comply in all respects with its obligation to meet and maintain the financial requirements required by the Agency;
 - iv. Failure of the Lender to duly observe or perform in any material respect any covenant, condition, or agreement under Applicable Laws or in this Agreement, the Guide, or any relevant Term Sheet or program guidelines;
 - v. Failure of the Lender to repurchase a Mortgage Loan or to correct defects or deficiencies with respect to Mortgage Loans in accordance with this Agreement, the Guide, or any relevant Term Sheet or program guidelines;
 - vi. Appointment of a conservator, receiver, or liquidator in any insolvency readjustment of debt, marshalling of assets and liabilities, or similar proceeding of a court, agency, or supervisory authority having jurisdiction

over the Lender, affecting the Lender or substantially all of its assets, or for the winding-up or liquidation of its affairs;

- vii.** Consent by the Lender to the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceeding affecting the Lender or substantially all of its assets;
- viii.** Admission in writing by the Lender of its inability to pay debts generally as they mature, or the filing of a petition to take advantage of any applicable bankruptcy or insolvency statute, or the making of an assignment for the benefit of creditors;
- ix.** The Lender is required to file a capital plan pursuant to the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time;
- x.** The filing of an involuntary petition in bankruptcy against the Lender;
- xi.** The Agency receives notice of a planned sale or transfer of a majority ownership interest, merger, consolidation, or change in legal structure of the Lender, unless the Agency approves in writing the change;
- xii.** The Lender is not authorized to originate or sell Mortgage Loans;
- xiii.** The Lender's Federal prudential regulator, the New Jersey Department of Banking and Insurance or any division thereof, HUD and/or the CFPB issue adverse findings and/or penalties against the Lender or the Lender enters into a settlement with such body to resolve pending investigation or proceeding, even if the Lender does not admit fault or liability;
- xiv.** The Lender is suspended or debarred from doing business with the Agency, the State, or Federal government;
- xv.** The Lender is not qualified or endorsed, or has lost its qualifications or endorsement to issue GSE/Insurer products;
- xvi.** The Agency's quality control review routinely results in findings that the Lender must correct;

- xvii.** The Lender is required to Repurchase more than six (6) Mortgage Loans within the term of this Agreement; and/or
 - xviii.** Agency Staff determine that the Lender has a significantly high fallout ratio that disrupts the Agency's ability to offer competitive pricing.
- b.** If any of the events specified in subsection (a) occur, the Lender will give written notice thereof to the Agency's Single Family Business Development Manager and Executive Director of the Agency within ten (10) business days after the happening of such event. Upon such notice pursuant to this Section, the Agency may terminate the rights of the Lender and its rights to compensation hereunder shall terminate.
- c.** In the event of a termination pursuant to this Section, all Mortgage Loans and any and all funds on deposit in connection with the Mortgage Loans shall be immediately transferred to the Agency or to such party as directed by the Agency, and a final accounting shall be made as to all funds received by the Lender. Should the Lender fail to immediately transfer the loans or funds, the Agency may obtain access to the Lender's premises or whatever the files or funds are located in order to take physical possession of same. All costs and expenses incurred by the Agency pursuant to this Section shall be paid or reimbursed by the Lender, or off-set by the Agency against any funds otherwise due to the Lender pursuant to this Agreement.
- d.** If the Agency determines that the Lender has failed to perform under any provision of this Agreement or the Guide, then the Agency, its authorized designee, Investor, Trustee, or document custodian, as the case may be, shall be reimbursed by the Lender, on demand, for reasonable attorneys' fees and other out-of-pocket costs and expenses, including all costs of litigation, if necessary, to enforce the Agency's rights.
- e.** The Agency, its authorized designee, document custodian, or any Trustee and/or Investor, shall not be liable in any respect for the termination of the Lender pursuant to this Section.
- f.** The Agency may also terminate the Lender's authority to participate as an Agency Lender, with or without cause, upon thirty (30) days written notice to the Lender. Termination will prevent the Lender from registering and/or submitting loans for underwriting or purchase. At the Agency's discretion, any loans in the NJHMFA pipeline and process will continue to be processed until purchase unless deficiencies are determined and/or loan is unsalable.

- g.** If the Lender fails to follow the procedures set forth in this Agreement and in the Guide in any material respect, the Agency may, at any time, terminate this Agreement without refunding to the Lender any portion of the Annual Participation Fee. In such event, the Lender shall promptly deliver to the Agency the loan file for each applicant for a Mortgage Loan, as well as the reservation fees, if any, paid by each applicant.
- h.** Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to this Agreement.

12. ADDITIONAL AGENCY REMEDIES

In addition to the remedies set forth above with respect to particular instances of Lender non-compliance, the Agency reserves the right to seek the following remedies as the Agency deems appropriate under the circumstances.

- a.** The Lender shall be liable to the Agency for any damages, including, without limitation, costs and attorneys' fees, suffered by the Agency by reason of the inaccuracy of any representation made or the breach of any covenant or warranty made by the Lender in connection with the transactions contemplated under this Agreement.
- b.** The Lender agrees to indemnify and hold the Agency and any of its designees, trustees, and/or Investors harmless from any and all claims, demands, losses, costs, curtailments, penalties, damages, and expenses (including reasonable attorneys' or accounting fees) That they may incur with respect to the origination of Mortgage Loans by the Lender pursuant to this Agreement, including, but not limited to, the Lender's noncompliance with Applicable Laws, this Agreement, the Guide, or any applicable Term Sheet or program guidelines; defective Mortgage Loan submissions; delivery of files, recording, and/or delivery of Mortgage Documents; transfer of all escrows or other funds due and owing the Agency; or noncompliance with any Laws, regulations, or directives pertaining to the

origination of Mortgage Loans, consumer protection, discriminatory practices, or criminal activity.

- c. Seek that the Lender be suspended from contracting with the Agency.
- d. Debar the Lender from contracting with the Agency.
- e. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to this agreement.

13. MISCELLANEOUS

- a. The Agency and any other State entity with regulatory and/or prosecutorial authority over the Agency, the Lender, and/or the Mortgage Loans shall have the right, at any time and from time to time, during normal business hours to examine and audit any and all of the Lender's records or accounts pertaining to any Mortgage Loan sold to the Agency under this Agreement.
- b. To the extent permitted by law, the Lender agrees that it will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required as appropriate to further express the intention or to facilitate the performance of this Agreement. The Agency shall have the right to require the Lender to furnish such documents as the Agency, in its sole discretion and from time to time, deems necessary in order to determine that the provisions of this Agreement have been complied with.
- c. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Lender in connection with the transaction contemplated hereby shall survive the execution and delivery of this Agreement, the sale or delivery of this Agreement, the sale or delivery of the Mortgage Loans and payment thereof, any disposition thereof by the Agency, and any investigation any time made by the Agency or on behalf of the Agency.

- d. Invalidation of any one of the provisions of this Agreement, by judgment or court order, shall in no way affect any other provisions herein contained, which provisions shall remain in full force and effect.
- e. This Agreement is governed by the laws of the State of New Jersey.
- f. The Lender hereby consents to the jurisdiction of the Superior Court of the State of New Jersey, Mercer Vicinage for any proceedings in connection with this Agreement or the Application.
- g. This Agreement shall not be assignable by the Lender without the written consent of the Agency, and in the event of any attempted assignment thereof without such written consent, the Agency may, at its option, terminate this Agreement as to its obligation to make any further purchase of Mortgage Loans from the Lender.
- h. Lenders that have had their Mortgage Purchase Agreement terminated or non-renewed for not meeting the Agency's required production volume may reapply to enter into a new Mortgage Purchase Agreement no sooner than two (2) full years after date of termination or date of expiration of the terminated or non-renewed contract, as applicable. Such Lenders will be required to provide a letter to the Agency detailing their new plan to produce sufficient purchasable loan volume to meet Agency requirements. Consideration of these applications will be at the sole discretion of the Agency.
- i. The Lender agrees that, so long as it shall continue to serve in the capacity contemplated under the terms of this Agreement, it will remain in good standing under the laws governing its creation and existence and remain qualified under the laws of the State of New Jersey to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not voluntarily consolidate with or merge into any other entity, or permit one or more entities to consolidate with or merge into it; provided, however, that the Lender may, without violating the covenant contained in this subsection, consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer to another such entity all or substantially all of its assets as an entirety and thereafter dissolve, if the surviving, resulting, or transferee entity, as the case may be, shall have a positive net worth, shall be qualified under the laws of the State of New Jersey to do business in the State, shall be qualified under the laws and have all necessary approvals required of the Lender under this Agreement to perform Lender's duties under this Agreement, and shall assume in writing all of the obligations of the Lender under this Agreement, in which event the Agency shall release the Lender in writing,

concurrently with and contingent upon such assumption from all obligations so assumed.

- j. The Lender agrees to provide the Agency with as much time as possible but at least a minimum of two (2) business days prior to any material change in its corporate existence or the ownership of its stock or assets (including but not limited to dissolution, disposal of all or substantially all of the assets of another entity, consolidation with, or merger into any other entity, or permitting another entity to consolidate with or merge into it) it will give written notice to the Agency described in detail the nature of the changes being proposed and the impact such changes might have on its ability to serve in the capacity contemplated under this Agreement. Upon receipt of said notice, the Agency will evaluate whether to allow Lender's continued participation in the Program, and if allowed, upon what terms, limitations, and conditions.
- k. The Lender shall obtain and maintain at its own expense and shall furnish to the Agency satisfactory evidence of (i) a blanket fidelity bond, and (ii) an errors and omissions insurance policy, in full force and effect throughout the terms of this agreement, covering the Lender's Officers and employees and other persons acting on behalf of the Lender in its capacity as the lender with regard to the Mortgage Loans. The amount of coverage shall at least be equal to the coverage that would be required by Fannie Mae or Freddie Mac with respect to the Lender if the Lender were servicing loans for Fannie Mae or Freddie Mac. In the event that the Lender is unable to secure the aforesaid amount of coverage, the coverage shall be in an amount as required by the Agency in its sole discretion. The bond and insurance company(ies) selected by the Lender shall be acceptable to the Agency. The bond and certificate of insurance must list the "New Jersey Housing and Mortgage Finance Agency" as the beneficiary and provide the Agency at least thirty (30) days' notice of cancellation. Any amounts collected under such bond and/or policy relating to the Lender's activities under this Agreement shall be remitted to the Agency.
- l. This Agreement and all obligations and rights arising hereunder shall bind and insure to the benefit of the Agency and the Lender and their respective successors in interest and permitted assigns.
- m. This Agreement may only be amended, changed, or altered by an instrument in writing executed by the Agency, which specifically refers to this Agreement, and which is executed by the Lender, if adversely affected by such amendment, change, modification, or alteration.

- n. Notices, certificates, or other communications hereunder shall be in writing and deemed given when delivered or five (5) days after mailing by regular, certified, or registered mail, postage prepaid, return receipt requested, addressed to the appropriate Notice Address. The parties may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates, and other communications shall be sent. Certain programmatic notices may be delivered electronically as provided in the Lender's Guide or any relevant program Term Sheet or guidelines.
- o. The Lender's Guide, Lender Bulletins, and any relevant Term Sheets or guidelines that now exist or are hereafter developed, are incorporated herein for all purposes. Such incorporation specifically includes references to any applicable guidelines and program manuals related to FHA, Fannie May, Freddie Mac, USDA, VA, any relevant mortgage insurers, and where applicable, secondary market investors/guarantors (i.e., Ginnie Mae), and to all applicable regulatory bodies having jurisdiction over the Lender's mortgage lending activities.
- p. All forms and reports required by this Agreement shall be prescribed by the Agency from time to time and may be amended, supplemented, or replaced as the Agency shall deem appropriate.
- q. Notwithstanding anything herein to the contrary, no recourse shall be had for any claim based upon any obligation or covenant in this Agreement against the Agency, or against any past, present, or future member, officer, director, or employee for the Agency or a successor entity, either directly or indirectly, under any rule of law or equity, statute, or constitution. No provision hereof shall be construed to impose a charge against the general credit of the Agency of any personal or pecuniary liability upon the Agency.
- r. The Lender agrees, acknowledges, and recognizes that it is under a strict duty of confidentiality with regard to its operation and its borrower's records, specifically any Personal Identifiable Information (PII). The Lender agrees not to sell, transfer, or share with any third parties any confidential borrower information received except for the purpose of origination, servicing, and delivery of the loan. The borrower's information cannot be shared by the Lender for the purpose of marketing or solicitation of non-mortgage products. Notice shall first be given to the Agency specifying exactly what information is to be shared, with whom it will be shared, and the reason the permission to disclose is being requested. Any PII received by the Lender from the Agency may be used only as is necessary to complete the stated purpose of this Agreement. Notwithstanding anything in this Agreement to the contrary, the rights and responsibilities regarding PII as herein

stated shall survive indefinitely the termination of this Agreement. As a condition of doing business, the Agency has agreed to reciprocate the conditions and notice requirements of this subsection with respect to the Lender.

- s. Notwithstanding anything in this Agreement to the contrary, the Lender agrees to fully disclose any breach in security that materially affect the Agency. All security breaches with the potential to affect PII are deemed material for the purposes of this Section. The Lender also agrees to report the date, time, and manner of any such security breach, the effect of the breach on the Agency and the Borrower, and any specific corrective action that the Lender has taken or will take in response to that security breach in a reasonable timely manner.
- t. This Agreement shall be effective as of the date the Lender is authorized by the Agency to proceed under the terms of this Agreement, and shall apply to all Mortgage by the Lender on behalf of the Agency, regardless of when the Mortgage Loans were originated.
- u. This Agreement may be executed in one or more counterparts, each of which shall be an original but such counterparts shall together constitute but one and the same Agreement.
- v. This Agreement will continue in effect until the end of **December 31, 2026.**
- w. Unless terminated sooner under the terms of this Agreement or extended by written notice from the Agency, the Agreement may be renewed at the end of the current calendar year upon execution of a new Mortgage Purchase Agreement Renewal and payment to the Agency of Participation Fee, if any is so required. If this Agreement is not renewed, both parties agree to continue processing all current applications for mortgages and Mortgage Loans in accordance with the terms of this Agreement provided such applications have been reserved with the Agency before year end and under the process set forth in the Guide.

By signing below and submitting and accepting payment from the Agency for the purchase of any and all Mortgage Loans hereunder, the Lender hereby affirms, and continuously affirms, that the signer of this Agreement and all Lender's staff who will originate Mortgage Loans have read and understand the Guide and are omitted to a high level of integrity, non-discrimination, non-predatory lending, and compliance in conducting its business with applicants for and Borrowers and Co-Signers of the Agency's Mortgage Loans.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as the date hereof.

(Lender)

New Jersey Housing and Mortgage Finance Agency

By: _____

By: _____
(Executive Director)

Title: _____

Date: _____

Date: _____