NIBP EXTENSION TERM SHEET

Overview

Treasury and the GSEs have agreed to permit (i) the extension of the existing December 31, 2011 deadline for release of escrowed New Issue Bond Program ("NIBP") funds and (ii) other modifications to the existing NIBP requirements subject to the terms and conditions described herein (collectively, the "Program Modifications"). Issuers that elect to avail themselves of the permitted extension (or that choose to implement the other permitted modifications to the NIBP) will be required to do so pursuant to amendments to the Related Documents approved or prescribed by Treasury and the GSEs and implemented prior to the earlier of (i) any mandatory redemption date of Program Bonds pursuant to Section 2.6(a) of the Indenture Appendices (as defined below) or (ii) any other action by an Issuer not currently authorized by the Related Documents.

This Term Sheet is intended only to provide a general outline of the contemplated Program Modifications, and is subject to modification at any time by Treasury and the GSEs. Capitalized terms used but not defined in this Term Sheet shall have the meanings assigned to such terms in the existing NIBP forms of Supplemental Indenture/Resolution Appendix for Use with Single Family Escrow Bonds, Single Family Small Issue Escrow Bonds or Multifamily Escrow Bonds, as the case may be (collectively, the "Indenture Appendices").

Term of Extension

Issuers may, in accordance with the terms and conditions set forth herein, extend the deadline for release of Escrowed Proceeds from December 31, 2011 to December 31, 2012. The maturity date for all Converted Program Bonds may not be extended.

Increase in Number of Permitted Release Dates

Issuers opting to extend the deadline for release of Escrowed Proceeds will be allowed a total of 9 Release Dates for each Single Family and Multifamily program (including those provided for by the existing Related Documents).

Revisions to Mechanism for Determining the NIBP Permanent Rate

The interest rate payable by an Issuer relative to any Program Bond with a Release Date in 2012 shall be determined as follows:

Determination of WAL-based Rate: The permanent interest rate on Program Bonds will be based on (i) the applicable credit-based Spread plus (ii) an index rate based on the weighted average life (the "WAL") of the relevant Program Bonds. The WAL will be based on maturity and redemption schedules set forth in the applicable Program Bond Official Statement. Program Bond sinking fund schedules must be constructed with a zero prepayment assumption. The WAL will then be used to calculate two index rates based on the linear interpolation between an established 10-year Treasury rate and a 30-year "AAA" MMD* rate interest rate as specified below.

Annual Ceiling: Each Issuer will have the opportunity to request a "Ceiling Rate Pair" for 2012 on any day between December 1, 2011 and December 9, 2011. The rates comprising the Ceiling Rate Pair will be set by taking the 10-year CMT and the 30-year "AAA" MMD* from the close of business of the preceding business day. CMT rates are as published on the Treasury website and MMD rates are rates as published by Thomson Reuters daily. These two rates each increased by 60 basis points will collectively be known as the Ceiling Rate Pair. If an Issuer does not request a ceiling CMT lock between December 1, 2011 and December 9, 2011, the Ceiling Rate Pair recorded at the close of business on December 8, 2011 will be locked for that Issuer. Note: Neither rate in the Ceiling Rate Pair constitutes an absolute ceiling; the rates are inputs to the interpolation calculation described below.

All requests for a Ceiling Rate Pair should be made via e-mail to: HFAInitiative@SSgA.com, with a cc: to JPM.HFA@jpmorgan.com. SSgA will confirm the Ceiling Rate Pair that was locked within two (2) business days. All requests that are time-stamped by 11:59 p.m., Eastern Time, on a specific date will be honored.

Final Rate Calculation: Rate determination for 2012 Release Dates will proceed as follows:

> Upon receipt of a Notification of Interest Rate Conversion or a Notification of Interest Rate Conversion/Redemption Certificate, SSgA will determine the "Notification Date Rate Pair" comprising the 10-year CMT and 30-year "AAA" MMD* as of close of business on the previous business day.
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> The Issuer must submit a schedule of Program Bond maturities, mandatory redemptions and WAL, as certified by the Issuer, on or prior to the first business day at least nine (9) calendar days prior to the Release Date. The schedule submitted must reflect exactly the schedule that will be included in the relevant Program Bond Official Statement. On or prior to the first business day at least seven (7) calendar days prior to the Release Date, SSgA will notify the Issuer as to its Permanent Rate. The new "Permanent Rate" will be (i) the applicable Spread plus (ii) an index rate (R) to be found by calculating for both the Ceiling Rate Pair and the Notification Date Rate Pair the linearly interpolated point between the 10-year and 30-year rates in that pair utilizing the WAL. Specifically, for each of the two rate pairs, the interpolated index rate (exclusive of the Spread) will equal:

$$R = CMT_{10} + \frac{WAL - 10}{20} \, (MMD_{30} - CMT_{10})$$

> The index used will be the *lower* of that calculated from the Ceiling Rate Pair or Notification Date Rate Pair (rounded to the nearest basis point). If the WAL is less than

*If on the date any rate pair is recorded, the 30-year "AAA" MMD rate is below the 10-year CMT or the 30-year CMT, the higher of the 10-year CMT and the 30-year CMT on such date will be used in lieu of the 30-year "AAA" MMD.

10 years, the index rate used will be the lower of the 10-year CMT rates from the Ceiling Rate Pair or Notification Date Rate Pair.

Additional Multifamily Credit Premium: In addition, all Multifamily Program Bonds Released in 2012 shall be subject to an increase in the applicable Spread of 80 basis points.

Optional Issuance of Market Bonds

Single Family Issuers releasing Escrowed Proceeds in 2012 will no longer be required to issue Market Bonds (although if Market Bonds are issued, they will be subject to the existing NIBP requirements regarding Market Bond maturity schedules and application of mortgage prepayments).

Addition of Issuer Escrow Redemption Fee

Issuers will be subject to a new fee (equal to .30% per annum) on Escrowed Proceeds applied to the redemption of Program Bonds. Such fee shall accrue on an actual/actual basis commencing April 1, 2012, and shall be payable from funds of the Issuer on the date on which any Escrowed Proceeds are used to redeem Program Bonds between April 1, 2012 and the expiration of NIBP on December 31, 2012. Escrowed Proceeds which are applied to redemption of Program Bonds prior to April 1, 2012 or released at any time within NIBP requirements are **not** subject to the fee. The Participation Fee instituted in 2010 for certain Issuers will remain applicable.

Use of Single Family NIBP Proceeds to Fund Multifamily NIBP Loans

Subject to applicable requirements of existing Program Bond documents and applicable tax, securities, state and local law requirements, Issuers that were originally participants in the NIBP Multifamily program will be authorized to use NIBP Single Family Escrowed Proceeds to fund qualifying Multifamily mortgage loans (subject to existing NIBP requirements). In order to avail themselves of this option, Issuers will be required to amend the applicable Related Documents to implement the NIBP Multifamily program requirements. Any Issuer pursuing this structure must indicate the proposed use of funds (Single Family or Multifamily) in its Notification of Interest Rate Conversion or Notification of Interest Rate Conversion/Release Certificate, as applicable.

The resulting mortgage loans will be pledged under the applicable Single Family indenture. Any amendments to such Single Family indenture necessary to allow for funding of Multifamily mortgage loans thereunder must be made by the Issuer prior to the applicable Release Date. Any such Multifamily loans must constitute security *only* for the Program Bonds, Escrowed Proceeds of which funded such loans (subject to the Issuer’s ability to pledge any residual amounts upon payment in full of the relevant Program Bonds). Furthermore, Program Bonds secured by Multifamily loans pursuant to this provision must mature or be subject to mandatory redemption or tender within 17 years of the Release Date or, in the case of Construction Program Bonds, within 17 years of the expiration of the interest only construction period (which may not exceed 4 years). The underlying mortgage loans must be guaranteed by the GSEs. Any Issuer pursuing this structure will work closely with GSE Special Closing

Counsel to ensure that these transactions meet program parameters and are acceptable to the GSEs and Treasury.

Special Rules Applicable to Issuers Participating in the TCLP

A number of additional NIBP modifications will apply to Issuers who are also participating in the Temporary Credit and Liquidity Program ("TCLP") extension. Specifically, such modifications address the following issues:

Limit on Refundings: The 30% limit on Program Bond proceeds used for all VRDO refundings (including refundings of TCLP-supported bonds) will remain unchanged but Issuers will be permitted to utilize an additional 10% of Program Bond proceeds if such Program Bonds will be used only to refund TCLP-supported VRDOs. Each Issuer shall indicate on the relevant Notification of Interest Rate Conversion or Notification of Interest Rate Conversion/Redemption Certificate what portion, if any, of Program Bond proceeds is being used for refundings.

Required Use of NIBP Proceeds to Refund TCLP-Supported Bonds: Issuers will be required to covenant to use NIBP Escrowed Proceeds to refund TCLP-supported bonds at any time that (i) the refunded bonds are either unhedged or any hedge can be terminated without cost to the Issuer and (ii) such a refunding can be accomplished such that the mortgage assets relating to the refunded bonds generate revenues sufficient to pay the Program Bonds and all related fees and expenses. Releases of NIBP Bonds for the sole purpose of refunding TCLP-supported bonds will **not** be counted for purposes of the limit on the number of permitted Release Dates.

Increased Flexibility on Use of Single Family NIBP Escrowed Proceeds. Subject to applicable tax, securities, state and local law requirements and the requirements of the Related Documents including the provisions outlined in the section entitled "Use of Single Family NIBP Proceeds to Fund Multifamily NIBP Loans" above, Single Family NIBP Escrowed Proceeds will be permitted to be used to refund TCLP-supported bonds regardless of whether the Program Bonds or the refunded bonds are single family or multifamily bonds.

Collateral Review Requirement: Notwithstanding anything in the foregoing or in the Related Documents, Treasury and the GSEs shall have the ability to review and approve or disapprove, in their sole discretion, mortgage loan collateral transferred to an NIBP indenture as collateral for Program Bonds used to refinance TCLP-supported bonds.

Generally, however, mortgage loan collateral transferred to an NIBP indenture should be reflective of a cross-section of the collateral within the TCLP indenture and should not adversely affect the existing credit profile of the bond indenture as determined by Treasury and the GSEs. Pricing of NIBP Program Bonds will be determined based on collateral quality and indenture structure as determined by the Rating Agencies.

If the collateral transferred to the NIBP indenture is such that all bonds in the indenture are backed by the same pool of collateral, pricing of the Spread will be based on the rating of the new bond issue (which should be the same as the existing rating of the NIBP Program Bonds).

Alternatively, if the collateral being transferred is "walled off" within the indenture and possesses a credit profile acceptable to Treasury and the GSEs, pricing of the Spread will be based on the new bond rating, which may not be lower than "Baa"/"BBB."

Freeze on NIBP Releases: Upon release of this Term Sheet, and prior to formally documenting the TCLP-related program modifications described herein, an Issuer participating in the TCLP program (unless it has affirmatively opted out of any available extension or modification of the TCLP) will be prohibited from scheduling new Release Dates in any amount that would cause the total amount of Program Bonds proceeds released to exceed 60% of the Issuer's original Program Bond principal amount for the applicable program (Single Family or Multifamily) (subject to waivers for pending and previously anticipated releases). The freeze will not apply for any release that facilitates the refunding of a TCLP-supported VRDO.

Additional Fees

Issuer's participating in the extension described in this Term Sheet shall be required to pay the GSEs a to-be-determined fee to cover the expenses of the GSEs associated with the Program Modifications described herein, and shall be required to pay to-be-determined fees of GSE Special Closing Counsel relating to the review and approval of NIBP document amendments.