

**AMENDMENT TO FEDERAL HOME LOAN BANK OF CHICAGO
AFFORDABLE HOUSING PROGRAM AGREEMENT
FOR THE 2015 DOWNPAYMENT PLUS[®] PROGRAM: FHA LOANS**

This Amendment to the Affordable Housing Program Agreement for the 2015 Downpayment Plus Program ("Amendment") is made this ____ day of _____, 2015 between the FEDERAL HOME LOAN BANK OF CHICAGO ("Bank"), _____ ("Member"), and the ILLINOIS LEAGUE OF FINANCIAL INSTITUTIONS ("Program Administrator").

WHEREAS, the Bank, the Member, and the Program Administrator have entered into an Affordable Housing Program Agreement for the 2015 Downpayment Plus Program dated _____, 2015 ("Agreement"); and

WHEREAS, the Member has made and will make first mortgage FHA-insured loans ("FHA First Lien Loans") to certain borrowers, and has made or will make available to those borrowers downpayment funds and/or closing costs from the Bank's Downpayment Plus Program; and

WHEREAS, the National Housing Act requires that secondary financing made through downpayment assistance programs for FHA First Lien Loans be made or held by an eligible governmental instrumentality; and

WHEREAS, the Bank, as required by the National Housing Act, holds the second lien to secure the downpayment funds and/or closing costs ("FHA Second Lien Loans"), which are subordinate to the Member's FHA First Lien Loans; and

WHEREAS, the parties wish to amend the Agreement to allow the Bank to assign the servicing and administration of the FHA Second Lien Loans to the Member;

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises and agreements herein and in the Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. The Bank shall execute a Power of Attorney, in the form attached hereto as Exhibit 1, to the Member, authorizing the Member to act in the Bank's place for all matters relating to the servicing and administration of the FHA Second Lien Loans. The Member shall be responsible for ensuring that the executed Power of Attorney is recorded in the proper recording format, in every county where the Member causes an FHA Second Lien Loan to be recorded. Additionally, the Member shall provide the Bank with copies of all such recorded documents.

2. The Member agrees to perform all servicing and administrative responsibilities associated with the FHA Second Lien Loans, such responsibilities to include, but not be limited to, maintaining the lien on the property, maintaining proper records, monitoring the status of the related FHA First Lien Loans (whether held or serviced by the Member or another party), defending, monitoring, responding to, and managing any claim, suit, litigation, or foreclosure proceedings with respect to the related FHA First Lien Loans or FHA Second Lien Loans, and

releasing the lien on the related property when required. The Member shall service and administer the FHA Second Lien Loans in the best interests of, and for the benefit of, the Bank in accordance with applicable law, the terms of the respective FHA Second Lien Loans, the Agreement, and the 2015 Plan. In addition, the Member shall service and administer the FHA Second Lien Loans with the same care, skill, prudence, and diligence as is normal and usual in its mortgage servicing activities on behalf of third parties or on behalf of itself, whichever is higher, without regard to any relationship that the Member (or its affiliate) may have with the related borrower or any holder of the FHA First Lien Loans.

3. The Member shall be responsible for all costs, fees, and expenses of the servicing and administration of the FHA Second Lien Loans (including, without limitation, the costs, fees, and expenses, including attorneys' fees, of defending, monitoring, responding to, and managing any claim, suit, litigation, or foreclosure proceedings with respect to the related FHA First Lien Loans or FHA Second Lien Loans). The Member agrees to indemnify and hold harmless the Bank and each of the Bank's directors, officers, employees, and agents against any and all claims, demands, actions, suits, obligations, liabilities, losses, costs, damages, penalties, judgments, or disbursements, of any kind or nature whatsoever, including reasonable attorneys' fees, that may be imposed on, incurred by, or asserted against it or them as a result of a breach by the Member of its obligations hereunder, or under the Agreement, with respect to the servicing and administration of the FHA Second Lien Loans. The foregoing indemnification shall survive the termination of the Agreement.

4. The Member shall comply with the monitoring requirements applicable to it, as established by the Bank in its monitoring policies pursuant to 12 C.F.R. § 1291.7.

5. The Member agrees that if it were a party to any other "Affordable Housing Program Agreement for Downpayment Plus Program" regarding the Downpayment Plus Program in prior years, and FHA Second Lien Loans were originated during such prior years, that this Amendment shall apply to such prior FHA Second Lien Loans to the same extent, and on the same terms, as stated herein for the 2015 Downpayment Plus Program year.

6. The duties and obligations of the Member hereunder shall continue for (a) as long as any applicable FHA Second Lien Loan remains outstanding, or (b) the applicable retention period, whichever is later.

7. Any capitalized term not defined in this Amendment shall have the meaning assigned to it in the Agreement. Except as amended by this Amendment, the Agreement remains unmodified and in full force and effect.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized officers as of the date first written above.

Member

By: _____

Name: _____

Title: _____

FEDERAL HOME LOAN BANK OF
CHICAGO

By: _____

Name: Samuel J. Nicita

Title: Executive Vice President

ILLINOIS LEAGUE OF FINANCIAL INSTITUTIONS

By: _____

Name: Jay R. Stevenson

Title: President

EXHIBIT 1

LIMITED POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS that the FEDERAL HOME LOAN BANK OF CHICAGO (“Bank”) hereby constitutes and appoints _____ (“Member”) its true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, endorse, assign, record, and file, in its name, place, and stead, all of the following:

a. Any and all mortgages (the “Mortgages”) evidencing obligations to the Bank for downpayment funds and/or closing costs secured by a second lien (“FHA Second Lien Loans”), which are subordinate to the Member’s first mortgage FHA-insured loans, and which are created pursuant to the Federal Home Loan Bank of Chicago Affordable Housing Program Agreement for the 2015 Downpayment Plus Program, as amended by the Amendment to Federal Home Loan Bank of Chicago Affordable Housing Program Agreement for the 2015 Downpayment Plus Program (together, the “Agreement”), if the Mortgages are not endorsed by the Bank to the Member or its designee;

b. Any and all amendments, assignments, and/or releases of any mortgage, deed of trust, or deed to secure debt, or other security instrument that secures any FHA Second Lien Loans pursuant to the terms of the Agreement; and

c. All such other documents as the Member may deem necessary to (i) maintain and protect the Bank’s security interest in any real and personal property, tangible or intangible, securing the Mortgages; or (ii) otherwise satisfy the Bank’s obligations under the Agreement with respect to the Mortgages or any security instruments or agreements executed to secure the Mortgages.

d. The Bank may revoke this Power of Attorney upon the Bank’s recording of a notice of revocation in the county where this Power of Attorney has been recorded by the Member.

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this ____ day of _____, 20____.

FEDERAL HOME LOAN BANK OF CHICAGO

By: _____

Name: Samuel J. Nicita

Title: Executive Vice President

SWORN AND WITNESSED in the presence of:

Acknowledgment

STATE OF ILLINOIS, _____ County ss:

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Samuel J. Nicita, Executive Vice President of the Federal Home Loan Bank of Chicago, a corporation chartered under the laws of the United States, on behalf of the Bank.

My Commission Expires:

Notary Public