CALIFORNIA HOUSING FINANCE AGENCY
DISASTER REBUILDING ASSISTANCE PROGRAM LENDER PARTICIPATION AGREEMENT

THIS LENDER PARTICIPATION AGREEMENT (this "Agreement") is entered into this ________ day of _____________ 2026 (the "Effective Date"), ________________________ ("Lender") and the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California ("CalHFA").

RECITALS

WHEREAS, The National Mortgage Settlement ("NMS"), a multistate agreement facilitated by California's Attorney General, was obtained in February 2012 and secured up to $18 billion in relief, with an estimated $410 million directed specifically to California. Pursuant to California Government Code 12531, the State established the National Mortgage Special Deposit Fund, from which funds will be allocated for various housing assistance purposes. Among these allocations, $300 million is designated to be administered by the California Housing Finance Agency to provide, among other things, mortgage assistance to qualified California households.

WHEREAS, CalHFA was allocated $56 million of funding from the California State Legislature in the 2026-2027 State Budget to address housing supply and affordability in those areas that were affected by a natural disaster that received a State of Emergency proclamation by the Governor, or a Major Disaster Declaration approved by the President from January 1, 2023 through January 8, 2025.

WHEREAS, CalHFA, through these two funding sources, has developed a Construction Loan Product and Guarantee to be marketed and made through approved lenders to eligible California borrowers that desire to build in a Qualified Disaster area.

WHEREAS, Lender desires and has sought approval from CalHFA to participate in the Program so that it may otherwise make its own Construction Loans to eligible borrowers.

WHEREAS, CalHFA desires to authorize Lender to market and participate in the making of loans eligible under this Agreement, as more particularly described herein.

NOW, THEREFORE, in consideration of the mutual promises expressed herein, the parties hereto agree as follows:

AGREEMENT

1. **Recitals**. The foregoing recitals are incorporated herein by this reference and shall form a part of this Agreement as if recited herein.

2. **Definitions**. As used in this Agreement:

   2.1. "Application" means the information and documentation provided by Lender in a form approved by CalHFA in order to be reimbursed under the Program.

   2.2. "Construction Loan" means the Loan Amount made by a Lender with its own funds to an Eligible Household to finance the construction, as evidenced by a promissory note and secured by such legally binding document(s) as necessary on real property.

2.3. “Construction Loan Loss Guarantee” means the construction loan loss guarantee provided by CalHFA to Lenders that meet the Disaster Rebuilding Assistance Program Construction Loan Loss Guarantee Fund Term Sheet requirements.

2.4. “Eligible Use” means the eligible Lender loan losses, Lender paid interest rate buydowns, or other reductions to the effective interest rate through other forms of lender prepaid interest per the applicable Program Term Sheet.

2.5. “Eligible Household” means the person(s) who meet the income and all other eligibility requirements pursuant to the applicable Program Term Sheet.

2.6. “Eligible Property” means the property types identified in the applicable Program Term Sheet.

2.7. “Lender Affidavit” means an affidavit provided in an electronic form by CalHFA, completed by an authorized representative of Lender, certifying that (i) Lender will provide Eligible Household appropriate educational resources regarding the construction process; (ii) Construction Loan will meet all Federal and State regulatory and compliance guidelines, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; (iii) Lender will adhere to all Program Term Sheet requirements and shall only take actions that are in the borrower’s interest and for borrower’s benefit; and (iv) borrower(s) meet the definition of a US citizen or other National of the United States or a “Qualified Alien” as defined at 8 U.S.C. § 1641.

2.8. “Lender Manual” means the lender program manual published by CalHFA which, among other things, describes the CalHFA policies and procedures. As such Lender Manual may be amended from time to time.

2.9. “Loan Amount” means the eligible amount allowed for the Construction Loan, including the amount advanced during construction, the amount of the permanent mortgage that replaces the Construction Loan upon completion, or the funds drawn from a home equity line of credit to support construction.

2.10. “Program” means the Construction Loan Rate Buydown and Construction Loan Loss Guarantee developed by CalHFA with funds made available and approved by its board of directors to be marketed and made available through approved Lenders to Eligible Households to help finance the construction of single-family residential homes in Qualifying Disaster areas.

2.11. “Program Bulletin” means a written announcement communicated to Lenders by CalHFA describing one or more changes to the Program from time-to-time.

2.12. “Program Term Sheets” means the terms and conditions developed by CalHFA that govern the Program and published on the CalHFA website. The Program Term Sheets are incorporated herein by reference and may be amended by CalHFA from time to time and will become effective and binding upon the Lender upon notice to the Lender without amending this Agreement.

2.13. “Construction Loan Rate Buy Down” means the Lender paid temporary or permanent interest rate buydown, or other forms of lender prepaid interest, reimbursement provided by CalHFA to Lenders that meet the Construction Loan Rate Buy Down Term Sheet requirements.

2.14. “Qualifying Disaster” means a disaster that received a State of Emergency proclamation by the

Governor, or a Major Disaster Declaration approved by the President as further described in the Program Term Sheets.

3. **Non-Exclusive Agent**. CalHFA hereby designates Lender as its non-exclusive agent for the receipt and processing of Applications for loans under the Program.

4. **Program Generally**.

4.1. Subject to all of the terms, covenants, conditions, warranties and representations contained in this Agreement, CalHFA conditionally agrees to provide Construction Loan Rate Buy Downs and Construction Loan Loss Guarantees to Lenders. The Eligible Household shall not owe, repay, or reimburse CalHFA for any portion of the Construction Loan Rate Buy Down or Construction Loan Loss Guarantee.

4.2. The Program funds will be administered on a first-come, first-served basis for so long as CalHFA makes funds available for the Program. CalHFA may discontinue the Program at any time without prior notice.

4.3. The Program shall only reimburse a Lender for the eligible uses described Construction Loan Rate Buy Down Term Sheet or Construction Loan Loss Guarantee Term Sheet. No other aspects of the construction shall be paid for, in whole or in part, by the Program.

4.4. Lender may participate in any portion of the Program. Lender is not required to participate in both the Construction Loan Rate Buy Down and Loan Loss Guarantee, and Lender and may opt into participating only in the Construction Loan Rate Buy Down or Construction Loan Loss Guarantee.

4.5. Any commitments or representations made by CalHFA regarding reimbursement of the Construction Loan Rate Buy Down or Construction Loan Loss Guarantee shall be conditional in nature only until Lender has satisfactorily met all requirements by CalHFA.

4.6. CalHFA shall retain any and all subrogation rights associated with its payments under this Agreement, including the right to pursue, recover, and participate in any post-payout recoveries from third parties. Such rights shall survive the issuance of any payout and may be exercised by CalHFA in its sole discretion, whether independently or in coordination with the Lender or any other involved party.

4.7. CalHFA has the sole discretion to deny any and all Applications submitted by Lender that do not meet CalHFA's requirements. CalHFA shall retain the ability to change its requirements or request further information or documentation without prior notice.

4.8. Lender acknowledges that as a public instrumentality and political subdivision of the State of California, CalHFA is subject to the California Public Records Act and may publicly disclose any information required by law or regulation. This disclosure may include disclosure of Program documents or information submitted by Lender.

4.9. In addition to the limitations set on individual loan maximums reimbursed under the Construction Loan Rate Buy Down or Construction Loan Loss Guarantee portion of the Program, Lender agrees that

CalHFA, at any time, may implement a total maximum amount that Lender may be reimbursed for the Construction Loan Rate Buy Down or the Construction Loan Loss Guarantee.

4.10. Lender agrees to abide by and adhere to any and all requirements, policies, or procedures CalHFA may implement, including but not limited to the Program Term Sheets and Lender Manual.

5. **Construction Loan Rate Buy-Down Requirements**. In addition to the requirements listed on the Term Sheet, to participate in the Construction Loan Rate Buy-Down portion of the Program, Lender must meet the following requirements as more particularly described in Exhibit “A”.

6. **Construction Loan Loss Guarantee Requirements**. In addition to the requirements listed on the Term Sheet, to participate in the Construction Loan Loss Guarantee portion of the Program, Lender must meet the following requirements as more particularly described in Exhibit “B”.

7. **Employee Training**. Lender shall assign specific member(s) of its staff to the Program. Such staff members shall have e-mail addresses and internet access which allows them to access CalHFA’s web site to receive update information regarding the Program. Lender represents and warrants that any member of Lender’s staff that works with Eligible Households or potential Eligible Households under the Program are intimately familiar with all applicable laws and regulations with regard to the Program and the documentation thereof.

8. **Information**. Lender agrees to, at a minimum, provide the following information:

8.1. Lender shall make information regarding the Program available to potential Eligible Households. Lender shall give the potential Eligible Household a complete Program information package at the time of application, which shall include information on all Program offerings. Lender shall process and review the application of any potential Eligible Household in order to determine eligibility under the Program. Lender shall use the forms approved by CalHFA and package the loan applications in conformance with the Program Term Sheet.

8.2. Lender shall actively keep and maintain up to date information for the entirety of Lender’s participation in the Program. Upon request, Lender will promptly make available any and all information CalHFA may request. For the Construction Loan Loss Guarantee Program, if construction is completed and no actual losses occurred, the lender will promptly notify CalHFA to close out the guarantee.

9. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of California and applicable federal law. Lender hereby agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue for any action brought hereunder shall be exclusively in the County of Sacramento.

10. **Information Regarding Misrepresentations and Fraud.** Lender hereby agrees to forward to CalHFA any and all information Lender receives which indicates or tends to indicate that misrepresentations or fraudulent statements were made by any Eligible Household or Lender. CalHFA, in its sole discretion, shall determine the validity and accuracy of those representations. Should a misrepresentation or fraudulent statement be confirmed by CalHFA, Lender shall remit any and all payments made by CalHFA within 30 days of written notice.

11. **Remittance of Payments**. At any point during Lender's participation in the Program, should Lender receive more funds than Lender is eligible to receive, Lender has a surplus amount from CalHFA, or borrower does not meet or no longer meets eligibility requirements, Lender shall remit the surplus amount to CalHFA within 30 days of written notice. Lender shall not delay or otherwise prevent remittance. Lender has the obligation and duty to report, immediately upon discovery, to CalHFA any surplus amount.

12. **Fair Lending Requirements.** Lender shall abide by all fair housing and lending requirements and agree to uphold the quality standards of the Program.

13. **Term.** This Agreement shall become effective upon its execution by Lender and CalHFA. Lender's authorization to market and submit Applications under this Agreement is effective upon completion of Lender training, at Lender's cost, provided for by CalHFA related to the Program. The Agreement shall remain in effect until terminated in accordance with its terms.

14. **Termination.**

    14.1. Either party may terminate this Agreement upon five (5) days written notice to the other party provided that the Termination of this Agreement shall not interfere with or supersede any outstanding obligations of Lender.

    14.2. CalHFA may, in its discretion, require Lender to submit and comply with annual or other periodic re-certification requirements as they may be established by CalHFA from time to time. Lender hereby agrees that its failure to comply with those re-certification requirements shall be cause for immediate termination of this Agreement.

    14.3. In addition to the foregoing, CalHFA may immediately terminate this Agreement at any time as a result of Lender's breach of any provision of this Agreement, including Lender's breach of any of the representations and warranties contained in this Agreement.

15. **Records**. Lender shall allow CalHFA, on written request, to have reasonable access to and the right to inspect all records that pertain to the Program. The Lender shall retain a complete copy of the Program file for at least three (3) years after receipt of CalHFA funds and maintain compliance with regulatory and legal requirements regarding document and record retention. The Lender must promptly provide CalHFA with a copy of its records upon request.

16. **Audits**. Lender agrees to establish and maintain fiscal control and accounting procedures which assure that funds received pursuant to this Agreement are properly disbursed, adequately controlled and reasonably accounted for. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by CalHFA, of the accuracy of the records and the allowability of expenditures payable with CalHFA funds. If the allowability of any expenditure cannot be determined, the questionable expenditure may be disallowed by CalHFA in its sole discretion. Upon demand by the CalHFA, Lender shall immediately repay CalHFA for any disallowed expenditures.

17. **Notices.** Unless otherwise required, all notices and requests to CalHFA and Lender pursuant to this Agreement shall be in writing and shall be deemed given or received when mailed, by certified or registered mail, postage prepaid, addressed to CalHFA at 500 Capitol Mall, Suite 1400, Sacramento, California 95814 and to the Lender at the address shown below on the signature page unless another address is designated in writing by Lender.

18. **Severability.** If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect.

19. **Nonwaiver of CalHFA's Rights.** No right, remedy, or power of CalHFA in this Agreement shall be deemed to have been waived by any act or conduct on the part of CalHFA or by any failure to exercise or delay in exercising any right, remedy, or power. Every such right, remedy or power of CalHFA shall continue in full force and effect until specifically waived or released by an instrument in writing executed by CalHFA.

20. **Entire Agreement.** This Agreement, including any attachments, constitutes the exclusive statement of the Agreement between the parties and supersedes all prior agreements, negotiations, representations and proposals, written or oral. Its terms cannot be modified, supplemented or rescinded except in writing signed by both parties. Neither party shall be bound by or be liable to the other party for any representation, promise or inducements made by any agent or person in the other party's employ that is not embodied in this Agreement. Nothing in this section shall be interpreted as restricting the rights of the parties to consent to modification of this Agreement.

21. **Interpretation of the Agreement.** The provisions contained in this Agreement shall not be construed in favor of or against either party but shall be construed as if both parties contributed equally to its preparation. This Agreement shall be construed in accordance with the laws of the State of California.

22. **Indemnification.** Lender shall indemnify and hold CalHFA and all of its officers, directors, employees and agents from and against any and all liability, claim, cost or expense (including court costs and attorney's fees) incurred by CalHFA and all of its officers, directors, employees, and agents attributable to: (i) a material breach of any representation or warranty by the Lender, its officers, directors, employees or agents pursuant to this Agreement or (ii) a result of any failure on the part of the Lender to comply with this Agreement. Lender expressly recognizes that representations and warranties made by Lender that are not true shall constitute a material breach of this Agreement.

23. **Assignment.** Lender shall not assign its rights nor delegate its duties under this Agreement without the prior written consent of CalHFA. Any attempted assignment or delegation in violation of this section shall be void. CalHFA shall have full right and authority to assign all or a part of its rights and delegate all or a part of its duties under this Agreement without Lender consent.

24. **Lender Representations Warranties and Covenants**. Lender represents, warrants, and covenants the following:

    24.1. Lender is organized and validly existing under the laws of its state of incorporation or organization. Lender has full corporate power and authority to transact any and all business contemplated by this Agreement and possesses, and shall maintain during the Term, all requisite authority, power, licenses, permits and franchises to conduct business wherever it conducts business and to execute, deliver, and comply with its obligations under the terms of this Agreement. Lender has taken all necessary action to authorize its execution, delivery, and performance of this Agreement.

    24.2. The execution and delivery of this Agreement and the performance of its obligations hereunder by Lender will not (i) conflict with or violate (a) its corporate organizing documents, or (b) provisions of any applicable law to which it is subject; nor (ii) conflict with or result in a breach of or constitute a material breach of any of the terms of any agreement or instrument to which it is a party or by which it is bound.

24.3. This Agreement and all obligations of Lender shall constitute the valid and binding obligations of Lender, enforceable against Lender in accordance with the terms hereof, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting enforcements of creditors' rights and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

25. **Signature Authority.** All individuals signing this Agreement for a party which is a corporation, partnership, limited liability company or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the CalHFA that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

26. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement is effective upon transmission by any part to the other party of a fully signed facsimile copy of the Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

LENDER:
By:
Name:
Its:
Address:

California Housing Finance Agency:
By:
Name:
Its:

CALIFORNIA HOUSING FINANCE AGENCY
DISASTER REBUILDING ASSISTANCE PROGRAM LENDER PARTICIPATION AGREEMENT
EXHIBIT A
CONSTRUCTION LOAN RATE BUY DOWN REQUIREMENTS

1. Lenders must require that any and all contractors hired by the Eligible Household for the purpose of building pursuant to the Construction Loan meet the following minimum requirements:

   1.1 Contractor and its subcontractors and/or agents must hold all current state and local licenses appropriate for the scope and location of the project.

   1.2 Contractor has proof of current adequate general liability insurance, workers compensation insurance, and adequate Builder's Risk insurance that meets statutory requirements and covers project risks.

   1.3 Contractor has proof of Performance and Payment bonds that completely cover costs of project.

   1.4 Contractor has submitted a detailed project scope of work, timeline, and itemized cost estimate for each and every portion of the project.

   1.5. Contractor has been reviewed for creditworthiness and liquidity. The Lender must, at a minimum, review business bank statements or a verification of deposit and credit report.

   1.6. Contractor does not have any bankruptcies, frequent lien filings, or poor supplier payment records.

2. Lender shall have made a Construction Loan for the Loan Amount with its own funds for construction and shall provide proof to CalHFA. Except as agreed to in this Agreement, Lender acknowledges and agrees that CalHFA shall not purchase the Construction Loan, reimburse Lender for the Construction Loan or provide any sort of guarantee for Lender having made the Construction Loan to an Eligible Household. The Construction Loan shall be deposited into an escrow account established by Lender in connection with the Construction Loan.

3. Lender shall provide, at a minimum, the Eligible Household with educational materials and resources regarding the construction process published by the Department of Consumer Affairs Contractors State License Board prior to closing the Construction Loan.

4. The rates and fees of the Construction Loan must meet the industry standards for risk and underwriting considerations, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and as verified by CalHFA in its sole discretion. Any artificial increase or manipulation of the Construction Loan shall disqualify Lender from the Program. The Lender shall only take actions that are in the borrower's interest and for borrower's benefit. The Lender fees or costs shall not exceed the maximum amount allowed in the Program Term Sheet.

5. Lender shall submit the following information through CalHFA's online Mortgage Access System:

   5.1. All relevant documentation that Construction Loan meets the Term Sheet requirements, including but not limited to, borrower is an Eligible Household, the property was damaged or destroyed due to a Qualifying Disaster and Lender Affidavit.

   5.2. Closing Disclosure or transaction history demonstrating Lender financed discount point buydown amount or lender pre-paid interest.

   5.3. Lender attestation that Lender will exhaust all refinancing, loss mitigation, and loan restructuring options with borrower prior to initiating a foreclosure or short sale proceeding.

   5.4. If applicable, copies of contracts with third-party vendors handling any aspect of the loan or construction management.

   5.5. Any other documentation, information, or evidence requested by CalHFA.

6. Construction shall meet all local applicable zoning ordinances for use on the property.

7. Eligible Household owned the property at the time of the disaster, currently owns the property, and Eligible Household intends to occupy within 60 days of completion of the construction.

CALIFORNIA HOUSING FINANCE AGENCY
DISASTER REBUILDING ASSISTANCE PROGRAM LENDER PARTICIPATION AGREEMENT
EXHIBIT B
CONSTRUCTION LOAN LOSS GUARANTEE REQUIREMENTS

1. After exhausting all refinancing, loss mitigation, and loan restructuring options, if borrower is unable to complete the build and Lender foreclosures on the property, Lender shall purchase the property, assume responsibility of the project, and complete construction of the project.

2. Lender shall have made a Construction Loan for the Loan Amount with its own funds for construction and shall provide proof to CalHFA. Except as agreed to in this Agreement, Lender acknowledges and agrees that CalHFA shall not purchase the Construction Loan, reimburse Lender for the Construction Loan or provide any sort of guarantee for Lender having made the Construction Loan to an Eligible Household. The Construction Loan shall be deposited into an escrow account established by Lender in connection with the Construction Loan.

3. Lender shall have provided, at a minimum, Eligible Household with educational materials and resources regarding the construction process published by the Department of Consumer Affairs Contractors State License Board prior to closing the Construction Loan.

4. The rates and fees of the Construction Loan must meet the industry standards for risk and underwriting considerations, including the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as verified by CalHFA in its sole discretion. Any artificial increase or manipulation of any portion of Construction Loan shall disqualify Lender from the Program. The Lender fees or costs shall not exceed the maximum amount allowed in the Program Term Sheet.

5. Lender shall submit the following information through CalHFA's online Mortgage Access System to enroll in the Program:

5.1. All relevant documentation that the Construction Loan meets the Term Sheet requirements, including but not limited to, the property was damaged or destroyed due to a Qualifying Disaster Lender Affidavit, and pertinent borrower information such as residence at time of Qualified Disaster.

5.2. If applicable, copies of contracts with third-party vendors that will handle any aspect of the loan or construction management.

5.3. Any other documentation, information, or evidence requested by CalHFA.

6. To submit a Loan Loss Guarantee Claim, Lender shall submit the following to CalHFA:

6.1. Lender cover letter requesting payment.

6.2. Evidence of Lender losses incurred, loan extension fees, loan statement, draw activities, foreclosure fees and GSE allowable corporate advances.

6.3. Any other documentation, information, or evidence requested by CalHFA.

7. If CalHFA approves the Construction Loan Loss Guarantee Claim, CalHFA shall withhold $500 of the proceeds for administration costs.