

Application Deadline: Thursday, February 8, 2018, 5:00 pm Pacific Time.

The application including all attachments must be submitted via the Bank's [secure portal](#). **The Bank cannot accept applications via USPS, fax, courier, or email.**

1. Before documents can be submitted electronically, the Bank must create a workspace for the IDEA Program Application and assign access to a portal user, and the user must complete an authentication process. Details on how to [request a workspace](#) and completing the authentication process can be found on our [website](#).
2. Upload the application to the workspace. Review instructions on [How to Upload WISH and IDEA Documents](#). The application must include the following completed documents:
 - 2018 IDEA Application for Funds Reservation ([FC 2232](#))
 - Affordable Housing Program Direct Subsidy Agreement – Homeownership Set-Aside Program ([FC 2229](#))
3. Notify the Bank via email when your documents have been uploaded.

IDEA Program Information

Members may apply for a reservation of IDEA funds for up to \$4,000,000 on or before February 8, 2018. The amount of funds requested should be based on the number of homebuyers expected to close or be in escrow on the purchase of a home by March 31, 2019. **The maximum combined reservation of IDEA and WISH funds cannot exceed \$4,000,000.**

- The Bank intends to notify members of the amount of funds, if any, reserved for their application on or about March 31, 2018.
- If the Bank receives requests for funds that exceed the amount set aside for the year, the Bank will allocate funds to eligible applicants in accordance with the Bank's AHP Implementation Plan.
- The maximum amount of IDEA funds available per participating household is \$15,000 (up to \$3 for each \$1 contributed by the household).
- IDEA funds may not be used by the member or homebuyer in conjunction with projects or units receiving other subsidies from the Bank through its competitive AHP or other set-aside programs.
- Member can use IDEA funds to assist eligible first-time homebuyers purchase homes in any area of the country where the Member conducts business.

Application Assistance

For more information regarding the preparation or submission of IDEA applications, contact the Community Investment Department at (415) 616-2542, email communityinvestment@fhlbsf.com, or visit fhlbsf.com.

Member Institution

| | | | |
|----------------|------------------|------------|----------|
| Institution | | | |
| Contact Person | Title | | |
| Address | City | State | Zip Code |
| Email | Telephone Number | Fax Number | |

Member IDEA Funds Reservation Information

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|------------------------|---|
| Amount Requested \$ | Members may apply for a reservation of IDEA funds for up to \$4,000,000 on behalf of eligible homebuyers. The maximum combined reservation of IDEA and WISH funds is \$4,000,000. Funds must be used for purchase of a home which must close or be in escrow by March 31, 2019. |
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List below the names of each savings program from which the member has received or expects to receive IDEA program enrollees. For each savings program, also indicate the number of homebuyers in pipeline and the respective homebuyer counseling program).

| Name of Savings Program (FSS or IDA, or Lease-to-Own) | Number of Homebuyers in Pipeline* | States where Homebuyers in Pipeline Expect to Purchase Homes | Homebuyer Counseling Program |
|--|-----------------------------------|--|------------------------------|
| | | | |

*Number of homebuyers that are expected to close or be in escrow on the purchase of a home by March 31, 2019

In addition please submit an executed Affordable Housing Program Direct Subsidy Agreement – Set-Aside Program (FC 2229).

This Affordable Housing Program Direct Subsidy Agreement – Homeownership Set-Aside Program (this “Agreement”), effective as of date set forth in Paragraph 4 below, is made by and among the Federal Home Loan Bank of San Francisco (the “Bank”), and

_____ (the “Member”) in connection with Member’s Application (as such term is defined below) to participate in the following Homeownership Set-Aside Program offered by the Bank (hereafter, the “HSA Program”).

Check the appropriate box:

- Individual Development and Empowerment Account (“IDEA”)
- Workforce Initiative Subsidy for Homeownership (“WISH”)
- A. Pursuant to Section 10(j) of the Federal Home Loan Bank Act and the regulations promulgated by the Federal Housing Finance Agency (the “Finance Agency”) thereunder, and the policies and procedures established by the Finance Agency in connection therewith (collectively, the “AHP Regulations”), the Bank has established an Affordable Housing Program (the “Bank’s AHP” or the “AHP”).
- B. The Bank also has established an Affordable Housing Program Implementation Plan, which includes the HSA Program (the “Implementation Plan”), and policies, procedures, guidelines, and instructions covering, among other things, the use of the Bank’s AHP funds under the HSA Program (collectively, along with the Implementation Plan, the “Bank’s AHP Policies and Procedures”).
- C. The Member desires to participate in the Bank’s HSA Program and has submitted an application to the Bank to obtain AHP funds in amounts approved by the Bank (the “Subsidy”) to provide to eligible low- or moderate-income households, as defined in Section 1291.1 of the AHP Regulations (“Homebuyers”), in connection with the purchase of housing units to be used as the Homebuyers’ primary residences (“Owner-occupied Units”). The Member’s HSA Program application, as the same may be amended and conditionally approved by the Bank (the “Application”), is incorporated herein by this reference.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Bank and the Member hereby agree as follows:

Agreement

1. **Recitals.** The Recitals set forth in Paragraphs A through C above are incorporated herein in their entirety.
2. **Definitions.** All terms not defined herein shall have the respective meanings set forth in the AHP Regulations and the Implementation Plan.
3. **Rules of Construction.**

In this Agreement,

- a) “Includes,” “including,” and similar terms are not limiting;
- b) “May not” and similar terms are prohibitive and not permissive;
- c) The singular includes the plural;
- d) “Or” is not exclusive; and
- e) Any reference to a form, plan, policy, procedure, guideline, instruction, title, code, law, statute, ordinance, rule, regulation, order, or other governmental provision, or any part thereof, shall include the same as it may from time to time be amended.
- f) In construing any ambiguity in this Agreement, the parties agree that this Agreement shall be interpreted in a neutral manner as to each of the parties notwithstanding any common law or statutory rule of construction that the terms of a contract should be interpreted most strongly against the party who caused the uncertainty to exist. The parties further agree that in the event of any uncertainty, this Agreement is to be interpreted in a manner that conforms to the

requirements of the AHP Regulations, other regulations of the Finance Agency, and the Federal Home Loan Bank Act.

4. **Effective Date.** This Agreement shall be effective, upon execution by the parties hereto, on the date the Application is approved by the Bank, as such date is set forth in the Bank's written notice to Member. The Bank's written notice, when given, shall be included as Exhibit 1 to this Agreement and incorporated herein by this reference.
5. **Approval of Application.** Approval of the Application by the Bank shall be conditional and shall be subject to the Member's compliance with this Agreement, the AHP Regulations, and the Bank's AHP Policies and Procedures. Approval shall be effective only upon written notice from the Bank to the Member.
6. **Compliance.** The Member agrees to comply with the AHP Regulations, the Bank's AHP Policies and Procedures, and the commitments made in the Application.
7. **Disbursement of Subsidy.** The Member may request disbursement of the Subsidy from the Bank to reimburse the Member for the Subsidy amount that the Member has disbursed to eligible Homebuyers who have completed the purchase of Owner-occupied Units in a manner consistent with the HSA Program and the Member's Application. The Member and the Homebuyers, as applicable, shall complete such forms and provide such information as is required by the Bank in order to disburse the Subsidy, as set forth in the Bank's funding and monitoring procedures and guidelines and the Bank's Instructions to Shareholders for Requesting Funds. Funding requests shall be processed in accordance with the AHP Regulations and the Bank's AHP Policies and Procedures. The Bank shall have the right, in its sole reasonable discretion, to withhold or deny disbursement of all or any part of the Subsidy if, based on the information available to the Bank at the time of the Member's request for funding, the Bank is not satisfied as to (a) the Member's creditworthiness and compliance with the requirements of this Agreement, the AHP Regulations, the Bank's AHP Policies and Procedures, the Application, the Bank's Credit Program policies, and the Advances and Security Agreement by and between the Member and the Bank, and (b) the Homebuyer's eligibility for the Subsidy and compliance with the requirements of this Agreement, the AHP Regulations, the Bank's AHP Policies and Procedures, and the Application. Prior to any disbursement of Subsidy for the AHP-assisted Owner-occupied Units, the Bank shall determine whether the conditions for reimbursement of set-aside funds set forth in the Bank's AHP Policies and Procedures have been satisfied (including, for example, the limitations on providing cash back at closing to a homebuyer specified in the AHP Regulations and the Bank's Policies and Procedures).
8. **Timing of Subsidy.** The Member acknowledges the time frame set forth in the Implementation Plan for the full disbursement and use of the Subsidy for eligible Homebuyers under the HSA Program. In the event that the Member does not use and draw down the Subsidy within the time frame established by the Bank for the HSA Program, the Bank will cancel the remaining amount of the Subsidy reserved for the Member.
9. **Subsidy Use and Pass Through.** The Member shall use the Subsidy, and shall ensure that each Homebuyer receiving Subsidy shall use the Subsidy, only as permitted and for the purposes described in the HSA Program guidelines as set forth in the Implementation Plan, and consistent with the requirements of this Agreement, the AHP Regulations, and the Bank's AHP Policies and Procedures. Prior to requesting disbursement of the Subsidy from the Bank, the Member shall have passed on to the Homebuyer the full amount of the Subsidy requested to be funded by the Bank to the Member for the Homebuyer, and shall have certified to the Bank, in a form acceptable to the Bank, that the set aside funds were used for an eligible purpose, and the rate of points, fees, and any other charges for any loan made in conjunction with the Subsidy shall not exceed a reasonable market rate.
10. **Modification.** The Member shall not modify the Application without the prior written approval of the Bank. The Bank may approve the modification of the Application only if the modification meets the requirements of the AHP Regulations or the Bank's AHP Policies and Procedures, and any Bank approval of a modification must be in a writing signed by the Bank.
11. **Monitoring.** The Member agrees to perform such monitoring, notice, and certification requirements as set forth in the AHP Regulations. The Member agrees to obtain and maintain any documentation related to the AHP-assisted Owner-occupied Unit and the Homebuyer required by the Bank pursuant to the monitoring provisions of the AHP Regulations and the Bank's AHP Policies and Procedures. Member further agrees to perform such other monitoring and to maintain such records relating to the Application and the use of Subsidy as may be required by the AHP Regulations, the Bank's AHP Policies and Procedures, or as may otherwise be required by the Bank in its sole reasonable discretion. The Member shall take steps to ensure that each Homebuyer receiving Subsidy shall provide such notices, certifications, and other information as may be required by the AHP Regulations, the Bank's AHP Policies and Procedures, or as may otherwise be required by the Bank in its sole reasonable discretion.
12. **Access to Information.** The Member expressly authorizes the Bank, and shall ensure that each Homebuyer expressly authorizes the Member and the Bank, to audit the records of Member and Homebuyer related to the Application and the use of the Subsidy, including loan documentation and books and records of account, and to conduct on-site reviews of Member's records related to the Application and the Homebuyers during normal business hours, and upon reasonable advance notice.

The Member agrees, and shall ensure that each Homebuyer agrees, to fully cooperate in and with the Bank's review, and to promptly provide to the Bank all documents and information reasonably requested by the Bank.

13. Retention.

- a) The term "Retention Period" means five (5) years from closing on an AHP-assisted Owner-occupied Unit purchased by a Homebuyer using the Subsidy provided pursuant to this Agreement.
- b) The Member shall ensure that each Owner-occupied Unit purchased by a Homebuyer using Subsidy for which the Member receives reimbursement from the Bank is subject to a deed restriction or other legally enforceable retention agreement or instrument consistent with the AHP Regulations, and requiring at a minimum that: (i) the Bank or its designee be given notice of a sale, refinancing, foreclosure, or transfer in lieu of foreclosure of the AHP-assisted Owner-occupied Unit occurring prior to the end of the Retention Period; (ii) in the case of a sale or refinancing of the AHP-assisted Owner-occupied Unit prior to the end of the Retention Period, an amount equal to the pro rata share of the Subsidy, reduced for every year the homeowner owned and occupied the AHP-assisted Owner-occupied Unit, shall be repaid to the Bank from any net gain realized upon the sale or refinancing, unless: (A) the AHP-assisted Owner-occupied Unit is sold to a very low-, low-, or moderate income household; or (B) following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or instrument as herein described; and (iii) the obligation to repay Subsidy to the Bank shall terminate after any foreclosure or deed-in-lieu of foreclosure of the AHP-assisted Owner-occupied Unit or if the first mortgage on the AHP-assisted Owner-occupied Unit is assigned to the Secretary of Housing and Urban Development.
- c) If the AHP-assisted Owner-occupied Unit is sold or refinanced in a manner that triggers an obligation to repay Subsidy to the Bank pursuant to subsection (b) of this Paragraph 13, then the Repayment and Recovery Provisions of Paragraph 14 shall apply.
- d) The Member, or the Homebuyer if so designated by Member, shall notify the Bank in writing of a sale, refinancing, foreclosure, or transfer in lieu of foreclosure of an AHP-assisted Owner-occupied Unit at least ten (10) business days prior to the anticipated happening of such an event.
- e) The Member or the Homebuyer may, by a separate agreement, agree to a retention period for an AHP-assisted Owner-occupied Unit that is longer than the AHP Retention Period, as defined in Paragraph 13(a), provided such agreement does not extend the AHP Retention Period or affect related rights or obligations of the parties under this Agreement. In any such case, any portion of the Subsidy repaid to the Member at any time, notwithstanding the terms of such a separate agreement, shall be promptly repaid to the Bank by the Member.

14. Repayment and Recovery Provisions.

a) *Noncompliance by Member*

The Member shall repay that portion of the Subsidy to the Bank, plus interest as may be required by the Bank consistent with the Bank's AHP Policies and Procedures, that as a result of the Member's actions or omissions is not used in compliance with the terms of this Agreement, the Application, or the requirements of the AHP Regulations and the Bank's AHP Policies and Procedures.

b) *Noncompliance by Homebuyer*

The Member shall recover from the Homebuyer and repay to the Bank that portion of the Subsidy, plus interest as may be required by the Bank consistent with the Bank's AHP Policies and Procedures, that as a result of the Homebuyer's actions or omissions, is not used in compliance with the terms of this Agreement, the Application, or the requirements of the AHP Regulations and the Bank's AHP Policies and Procedures. The Member shall enter into such agreements with Homebuyer and take such other steps as may be reasonable to enable the Member to carry out its Subsidy recovery obligations under this Agreement. For purposes of this Paragraph 14(b), where the obligation to repay the Subsidy arises solely as a result of the Homebuyer's actions or omissions, the Member shall not be obligated to the Bank for the return of the amount of the Subsidy that cannot be recovered from the Homebuyer through reasonable collection efforts by the Member. The Member agrees to report in writing to the Bank the reasonable collection efforts taken by the Member.

c) *Repayment Obligations*

The repayment obligations, if any, of the Member under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, the AHP Regulations, and the Bank's AHP Policies and Procedures under all circumstances, including the following circumstances: (i) any lack of validity or enforceability of any of the loan documents or other agreements relating to the Application or the Owner-occupied Units funded under the Application, including any agreements between the Member and the Homebuyers pertaining

to the Owner-occupied Units (the "Related Documents"), or (ii) any amendment or waiver of or any consent to or departure from all or any of the Related Documents.

d) *Notices*

The Member shall promptly give written notice to the Bank of an occurrence of noncompliance with the requirements of this Agreement, the AHP Regulations, or the Bank's AHP Policies and Procedures at the earliest possible date after discovery of such noncompliance, and after the Member has had reasonable time to investigate and evaluate the occurrence that may constitute noncompliance, but in any event, notice shall be given no later than fifteen (15) calendar days following discovery of an occurrence that constitutes noncompliance.

15. Finance Agency Compliance Determinations and Enforcement Proceedings.

- a) The Member acknowledges that the Bank and the Bank's AHP are subject to the regulatory, supervisory, and examination authority of the Finance Agency. The Member acknowledges further that pursuant to such authority, the Finance Agency may determine at any time, based on its review of the Bank's records for the Application, that the Subsidy has not been used in compliance with the terms of the Application or the requirements of the AHP Regulations, and that such noncompliance is the result of the Member's or the Homebuyer's actions or omissions. If the Finance Agency makes such a determination, the Bank will notify the Member in writing of the Finance Agency's determination and may require remedial action by the Member in accordance with the terms of the AHP Regulations and this Agreement. The Member agrees that within thirty (30) calendar days after receipt of such notice, or within such other period of time as the Bank may approve, if the Member has not otherwise made a request to the Bank under Paragraph 15(c), below, the Member, as may be directed by the Bank pursuant to a supervisory determination of the Finance Agency, shall cure the noncompliance, eliminate the noncompliance through an approved modification of the Application, or repay the Subsidy to the Bank in accordance with Paragraph 14 above.
- b) Upon its own determination or pursuant to an order issued by the Finance Agency, the Bank may suspend or debar the Member from further participation in the AHP due to (i) a pattern of noncompliance or (ii) a single instance of flagrant noncompliance with the AHP Regulations, the Bank's AHP Policies and Procedures, the Application, or this Agreement.
- c) Upon a written request to the Bank, and subject to an order of the Finance Agency permitting such participation, a Member, as applicable, may participate in any enforcement proceeding initiated by the Finance Agency regarding repayment of Subsidy, or regarding the suspension or debarment of the Member. Any such participation by a Member shall be pursuant to the terms of the Finance Agency order and applicable law.

16. Loss of Member's Membership After Submission of Application.

- a) Pursuant to the AHP Regulations, a Bank shall accept applications for Subsidy under its HSA program only from institutions that are members of the Bank at the time the application is submitted to the Bank. If the Member enters into an agreement to engage in a corporate merger or other corporate transaction ("Merger") that would result in the loss of the Member's membership in the Bank if the Merger became effective, then within ten (10) business days of entering into the Merger agreement the Member shall notify the Bank in writing of the pending Merger. If on a date before the Effective Date the Member loses its membership in the Bank or enters into a Merger agreement that in the Bank's judgment could result in loss of membership before the disbursement of Subsidy, then the Bank reserves the right, in its sole discretion, to treat the Application as withdrawn by the Member.
- b) Except as provided in subsections (c), (d), and (e) of this Paragraph 16, the Bank will only disburse Subsidy to the Member if it is a member of the Bank both on the initial date the institution requests a draw down of Subsidy and on the date the Bank is prepared to disburse the Subsidy. The Member shall make best efforts to transfer its obligations under the approved Application for Subsidy to another member of the Bank in the event of the Member's loss of membership in the Bank prior to the Bank's final disbursement of Subsidy.
- c) If the Member receives approval of the Application by the Bank and then loses its membership in the Bank on a date after the Effective Date, but before the initial date of disbursement of the Subsidy, the Member and another member of the Bank may request that the Bank disburse that Subsidy to such other member of the Bank. If such other member executes a written agreement satisfactory to the Bank under which such other member assumes all the obligations of the Member with respect to the HSA Program under this Agreement, including the representations made in the Application, the Bank may disburse the Subsidy to such other member.
- d) If the Member receives approval of the Application by the Bank and then loses its membership in the Bank on a date after the Effective Date, but before the initial date of disbursement of the Subsidy, and the Member, or its successor-in-interest, ("Transferred Member") becomes a member of another Federal Home Loan Bank ("FHLBank"), the Transferred Member may request that the Bank disburse that Subsidy to it. If the Transferred Member executes a

written agreement satisfactory to the Bank under which the Transferred Member assumes all the obligations of the applicant with respect to the HSA Program under this Agreement, including the representations made in the Application, and the other FHLBank enters into an appropriate agreement with the Bank, the Bank may disburse, through the other FHLBank, the Subsidy to the Transferred Member.

- e) If the Member receives approval of the Application by the Bank and then loses its membership in the Bank on a date after the initial partial disbursement of Subsidy, but before the final disbursement of Subsidy to the Member, then: (i) the Member may not request additional Subsidy for itself, or a successor, for this Application except pursuant to the standards of subsection (d) of this Paragraph 16; and (ii) the Member and another member of the Bank may request the disbursement of the remaining Subsidy to the other member of the Bank pursuant to the standards of subsection (c) of this Paragraph 16.
- f) If, after final disbursement of Subsidy to the Member, the Member undergoes an acquisition or consolidation resulting in a successor organization that is not a member of the Bank, the nonmember successor organization assumes the Member's obligations under this Agreement and the Application.

17. **Environmental Indemnity.** The Member agrees to indemnify and hold the Bank harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable, consequential damages, costs and expenses (including sums paid in settlement of claims and all reasonable consultant, expert, and legal fees and expenses of the Bank's counsel) or loss directly or indirectly arising out of or resulting from any Hazardous Substance (as such term is defined below) being present at any time, whether before, during, or after construction or rehabilitation, in or around any part of the Owner-occupied Units receiving Subsidy under the Application, or in the soil, groundwater, or soil vapor on or under the Owner-occupied Units receiving Subsidy under the Application, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work, or any resulting damages or injuries to the person or property of any third parties or to any natural resources. For the purposes of this Paragraph 17, the term "Hazardous Substance" means any substance that is or becomes designated as "hazardous" or "toxic" under any federal, state, or local law. This indemnity shall survive the expiration or termination of this Agreement.

18. **Member's Representations and Warranties.**

The Member represents and warrants to the Bank as of the effective date hereof, on each funding date of the Subsidy, and as of the dates the Member provides monitoring information and certifications to the Bank as set forth in Paragraph 11 above and in the AHP Regulations, the following:

a) *Power and Authority*

The execution, delivery, and performance by the Member of this Agreement and the Related Documents to which the Member is a party are within the corporate or other powers of the Member, have been duly authorized by all necessary action, do not contravene or constitute a default under any provision of applicable law or regulation or of any judgment, injunction, order, or decree binding on the Member or its property.

b) *Enforceability*

This Agreement and the Related Documents to which the Member is a party have been or will be duly executed and delivered and are, or upon execution will be, the valid and legally binding obligation of the Member, enforceable against the Member in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws or equitable principles relating to or limiting creditors' rights generally or the availability of equitable remedies.

c) *No Breach or Default*

The consummation of the transactions contemplated hereby and the execution, delivery, and performance of this Agreement and the other Related Documents by the Member will not violate, or constitute or result in a material breach of or a default under, any agreement, mortgage, deed of trust, lease, loan or security agreement, corporate charter, articles, or bylaws, as applicable, or any other instrument to which the Member is a party or by which it may be bound or affected. To the best of the Member's knowledge, the Member is not in default under the Advances and Security Agreement.

d) *Statements*

To the best of the Member's knowledge, after reasonable inquiry, the information given by the Member in the Application and in other documents provided to the Bank, and in any oral statement made by the Member, in connection with the Application, are complete and accurate in all material respects.

e) *Eligibility Standards; Use of Funds*

Each Homebuyer receiving Subsidy funds pursuant to this Agreement meets the applicable eligibility standards for the HSA Program as set forth in the Bank's AHP Policies and Procedures and the AHP Regulations, and the Subsidy will be used only as set forth in the approved Application and consistent with the requirements of the AHP Regulations and the Bank's AHP Policies and Procedures.

19. **Assignment.** The Member may not (voluntarily or involuntarily or by operation of law or otherwise) assign or transfer any of its rights or obligations hereunder without the express prior written consent of the Bank.
20. **Amendment; Waivers.** No modification, amendment, or waiver of any provision of this Agreement or consent to any departure therefrom shall be effective unless executed by the parties to this Agreement. Any forbearance, failure, or delay by a party hereto, in exercising any right, power, or remedy hereunder or under law or regulation shall not be deemed to be a waiver thereof, and any single or partial exercise by a party of any right, power, or remedy shall not preclude the further exercise thereof.
21. **Jurisdiction; Legal Fees.**
 - a) In any action or proceeding brought by the Bank or the Member to enforce any right or remedy under this Agreement, the parties hereby consent to, and agree that they will submit to, the jurisdiction of the United States District Court for the Northern District of California or, if such action or proceeding may not be brought in federal court, the jurisdiction of the Superior Court of the City and County of San Francisco, to the exclusion of all other courts.
 - b) The Member and the Bank agree that if any action or proceeding is brought by any party seeking to obtain any legal or equitable relief against another party under or arising out of this Agreement or any transaction contemplated hereby, and such relief is not granted by the final decision, after any and all appeals, of a court of competent jurisdiction, the party that brought the unsuccessful action or proceeding will pay all attorneys' fees and other costs incurred by the other party(ies) in connection therewith.
22. **Applicable Law; Severability.** Subject to Paragraphs 16 and 19, this Agreement shall be governed by the statutory and common law of the United States and, to the extent federal law incorporates or defers to state law, the laws of the State of California (excluding, however, the conflict of laws rules of the State of California).
23. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Member and the Bank. In addition, if after final disbursement of AHP subsidies to the Member, the Member undergoes an acquisition or a consolidation resulting in a successor organization that is not a member of the Bank, the nonmember successor organization assumes the Member's obligations under the Member's approved Application.
24. **Notices.** All notices and other communications shall be mailed, sent by facsimile or email transmission (with confirmation copy to follow via U.S. mail), or served personally on a party at the address indicated below, or at such other address as shall be designated by a party by future written notice to the other parties. Notice sent by facsimile or email transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; and notice sent by U.S. mail shall be effective three (3) business days after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid.
25. **Counterparts.** This Agreement may be executed by the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same Agreement.
26. **Headings.** Paragraph headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
27. **Consents.** Any time the Bank's consent or approval is required hereunder, such consent or approval shall be consistent with the applicable requirements of the AHP Regulations and the Bank's AHP Policies and Procedures, and shall otherwise not be unreasonably withheld or delayed.
28. **Other Rights and Remedies.** Nothing in this Agreement shall be deemed in any way to limit the Bank's rights and remedies under law, or prevent the Bank from taking any action pursuant to law in the event of the Member's failure, for whatever reason, to comply with any provision of this Agreement, or to perform any promise or obligation or to satisfy any condition or requirement contained in this Agreement, the AHP Regulations, or the Bank's AHP Policies and Procedures. Nothing in this Agreement shall be deemed in any way to limit the Member's rights and remedies under law, or prevent the Member from taking any action pursuant to law in the event of the Homebuyer's failure, for whatever reason, to comply with or to perform any promise or obligation to the Member, or to satisfy any condition or requirement related to this Agreement, the AHP Regulations, or the Bank's AHP Policies and Procedures.

29. **Entire Agreement.**

a) In general

This Agreement embodies the entire agreement and understanding between the parties hereto relating to the subject matter hereof.

b) Homeownership Set-Aside Portal User Agreement

To facilitate information sharing between the Member and the Bank with regard to the Owner-occupied Unit, the Bank uses an information sharing portal ("Portal"). The Member acknowledges and agrees that any access or other use of the Portal is subject to the [Homeownership Set-Aside Portal User Agreement](#) ("Portal User Agreement"), which is available on the Bank's website. The Portal User Agreement is a part of and subject to this Agreement. In the event of a conflict between the terms of this Agreement and the Portal User Agreement, the Portal User Agreement will apply.

In Witness Whereof, the Member and the Bank have caused this Agreement to be signed in their names by their duly appointed officers as of the above-mentioned effective date.

Member

| | | | |
|------------|------------|-------|-----|
| Member | | | |
| Address | City | State | ZIP |
| By | By | | |
| Print Name | Print Name | | |
| Title | Title | | |

Note: This form must be signed on behalf of the Member by one or two authorized signers, in accordance with the Member's authorizations on file with the Bank.

Federal Home Loan Bank of San Francisco

Federal Home Loan Bank of San Francisco
Post Office Box 7948
San Francisco, CA 94120

Attention: Community Investment Department

| | |
|------------|------------|
| By | By |
| Print Name | Print Name |
| Title | Title |

Affordable Housing Program Direct Subsidy Agreement Homeownership Set-Aside Program

Application No. (For FHLBSF use only)