

Exhibit A

POLICY REGARDING HOME OWNERSHIP FINANCING

1. Actions of HomeStreet

HomeStreet Bank has adopted a program for financing home ownership as described in the document entitled "Hometown Loan Program" ("HomeStreet Bank program"), a copy of which is attached and incorporated herein by this reference. The City understands that the HomeStreet Bank program is available to employees of Participating Employers, including new hires, temporary, part-time employees, retirees and PDC employees (collectively, "Eligible Participants"). The City is one of the "Participating employers" of this program.

The HomeStreet Bank program includes, without limitation, and in addition to any terms contained in the document entitled Hometown Loan Program:

- a) A reduced loan origination fee $\frac{1}{2}\%$ lower than the regular loan origination fee customarily charged to any other borrower on a similar transaction for the purchase or refinance of a principal residence for such Eligible Participant. Subject to individual credit limitations, the Eligible Participant shall not be charged an interest rate (computed before taking account of loan fees) higher than any other borrower would customarily be charged on a similar transaction. The discounted loan origination fee shall be made available on all first mortgage loan products offered by HomeStreet Bank.
- b) Negotiated savings on appraisal, funding fee, and non-regulated closing cost fees on all first mortgage loan products offered by HomeStreet Bank, in the approximate amount of \$1,000 to \$1,250 (including loan origination fee discount) at closing.
- c) Delivery to Participating Employer of a sufficient quantity of materials describing the HomeStreet Bank program for delivery to all Eligible Participants, as well as a copy of all materials used in the HomeStreet Bank program. Any such materials shall be subject to the prior approval of Participating Employer, not to be unreasonably withheld. Except for any materials required by law or materials whose content must meet certain legal requirements, any materials prepared by Participating Employer for this HomeStreet Bank program shall be subject to the prior approval of HomeStreet, which shall not be unreasonably withheld.
- d) Full compliance by HomeStreet Bank with all Fair Housing and nondiscrimination laws and regulations which are hereby incorporated by reference.
- e) Evaluation of all Eligible Participants for their qualification for the HomeStreet Bank programs described in the HomeStreet Bank program attached hereto and incorporated herein.
- f) Providing similar product and services as those described in the document entitled "Hometown Loan Program" ("HomeStreet Bank program") to other employers in the Portland metropolitan area and a 30 day written notice to Participating Employers in the event that such services are no longer being offered to other employers.

2. Actions of City as Participating Employer

- a) The City will announce to all Eligible Participants the availability of the program as an incentive to home ownership for such employees. Announcement to retirees will be at the City's discretion.
- b) The City will deliver to all Eligible Participants materials prepared by HomeStreet Bank describing the HomeStreet Bank program, subject to Participating Employer's approval in advance. Delivery to retirees will be at the City's discretion. Participating Employer shall not be required and is not agreeing to deliver materials describing services unrelated to home mortgage loans.
- c) The City will place notices in departmental newsletters, in new employee orientation packets and on bulletin boards in appropriate locations describing the HomeStreet Bank program.
- d) The City will not be responsible for any costs or expenses incurred by HomeStreet Bank in connection with the HomeStreet Bank program.
- e) The City may periodically include additional lending service providers at the City's discretion.

3. Term of the HomeStreet Bank Program

The City understands that the HomeStreet Bank Program will continue indefinitely and that the City will continue to take the actions noted in Section 2 above unless the Bank terminates its program with adequate notice, as defined in Section 4. The City retains the right to discontinue its policy and any actions taken in regard to this program. Neither party is committed to any further actions after the termination of the HomeStreet Bank program. The City understands that termination of the program by the Bank or City will not adversely affect any pending loan application or closing.

4. Termination, Amendments and Modifications

In the event City chooses to discontinue its policies or the Bank chooses to discontinue its program, then it is understood that notice of such action will be provided to the other by providing thirty (30) days advance written notice served on the other parties by first class mail addressed as follows:

To Participating Employer: Bureau of Housing and Community Development
City of Portland
421 SW 6th Ave, Suite 1100
Portland, OR 97204

To HomeStreet Bank: The Affinity Lending Center
601 Union St., Suite 2000
Seattle, WA 98101

HOMETOWN HOME LOAN BENEFITS

Loan programs made available to your employees through HomeStreet Bank are offered to participants at a discount from the cost to the general public.

Lower Closing Costs

- Loan fee reduced 50%
- Discounts on home inspections, appraisals and other closing costs
- Escrow fees reduced 50% or more
- Realtor contributions
- Seller contributions allowed for closing costs

Competitive Rates/Flexible Underwriting

- Standard ratios (28/36) increased by 5-7% (33/40) or more for most programs
- ALL** program discounts are from published rates – No overages or pricing adjustments for Hometown loans
- Jumbo, Portfolio and No-income verifier loans available
- Low and zero down payment programs with no income restrictions

Special Programs for Low/Moderate Income Homebuyers

- Below-market interest rates for municipal employees & union members
- Low down or down payment assistance available

Rehab/remodel and Construction Financing

- Finance purchase and remodel in one easy loan
- Extensive rehabilitation financing available (Conventional and FHA)
- All-in-one construction program available

Enhanced Service for Hometown Home Loan Participants

- Special phone line for program users (503-227-3956)
- Extended hours 8AM-9PM M-F, 9AM -5PM Sat
- 72 hour loan approval on most programs
- Free pre-approvals
- On-site informational seminars and one-on-one counseling