

Project Name: *Graduating to Homeownership*

Project Lot Address: 2926/2928 Dumesnil

Project Executive Summary: Our project is a collaboration between Family Scholar House's Parkland Scholar House campus (FSH) and Habitat for Humanity of Metro Louisville (HFHML). We plan to build a Habitat home on vacant property near the Parkland Scholar House campus for one of FSH's graduates. HFHML is committed to this area and has built 41 homes in this neighborhood. Parkland FSH graduates are ideal candidates for our program, and will provide stable homeowners giving back to the community that helped them during their journey through college. Additionally, HFHML will provide financial counseling to help all FSH participants that want to become homeowners to reach their goal. The 'Almost Home' program will provide advice on fixing the stumbling blocks to HFHML program approval.

Project Team Description: Team Leader – Rob Locke. Additional Team Members – Harvetta Ray, Jackie Isaacs, Lisa Echsner.

- Rob Locke is the Chief Executive Officer of HFHML. Rob has spent his career working for Habitat and is well equipped to lead the team through the selection and building process. The construction team from HFHML will supervise the build and volunteers will come from both HFHML and FSH.
- Harvetta Ray is the Campus Coordinator of FSH's Parkland Scholar House campus. She is intimately involved with the FSH participants in the residential program. Harvetta will work to ensure that this opportunity is attainable by many FSH graduates. Additionally, the post graduate/home owner program will be provided by Family Scholar House with leadership from Harvetta.
- Jackie Isaacs is the HFHML Program Manager for Homebuyer Financial Services. She is well aware of the obstacles our applicants for home ownership face. Many times the solutions are completely doable and make application approval much easier. The "Almost Home" program will help those persons who have the potential and aptitudes to become homeowners learn what needs to change in order for their application to be approved. Jackie is a Neighborworks Certified Homeownership and Community Lending Professional and her knowledge of credit, debt and budgeting will help to ensure a successful road to home ownership for FSH graduates.
- Lisa Echsner is the Marketing and Development Director for HFHML. Her job will be to ensure all parties are communicating and that the community has bought into this project. She will provide oversight and coordination strategies between HFHML and FSH. Additionally, Lisa will manage the volunteer efforts when it comes time for the build.

Project Description: The lots on Dumesnil, once consolidated, are a perfect place for an FSH graduate to build a home and invest in the neighborhood. Since 1985, HFHML has built over 410 well-constructed, energy-efficient, beautiful homes in the Louisville area with 9 of them being in the immediate vicinity of FSH's Parkland Scholar House campus. To be eligible for this project the FSH graduate must meet the three core guidelines of HFHML – need, ability to pay,

and willingness to partner. The graduate will provide a modest down payment and 400 'sweat equity' hours building their own and other Habitat homes. Upon completion, the home will be sold to the graduate partner at no profit, with the new homeowner assuming a 20 year - zero interest mortgage loan. HFHML works cooperatively in neighborhoods throughout Louisville to focus on revitalization, the Parkland area is one of these where we believe our approach will help to strengthen the neighborhood and its families.

According to research, home ownership is associated with positive impact on children and neighborhood stability. Home owners are also more engaged with their community, more satisfied with their homes and neighborhoods and home ownership is also associated with higher levels of housing maintenance and property appreciation. FSH participants are already on the path of ending their own generational cycle of poverty through education. Acquiring a bachelor's degree alone significantly increases their earning potential placing them in a better position to not only own a home but remain gainfully employed so that the home can be maintained over a longer period of time.

While in the residential program at FSH's Parkland Scholar House campus, potential applicants will participate in Family Scholar House's Building Confident Futures program that includes the opportunity for an individual development account and matched savings for homeownership. This program is designed to complement not duplicate the homeownership training available through HFHML, further supporting and encouraging the FSH applicants. The Building Confident Futures program helps FSH participant's transition and assimilation into workplaces in the careers of their choice. And will use their new financial independence to establish personal and family goals supported with financial planning and asset development. The additional incentive of matched savings promotes a habit of family saving and preparation for homeownership.

Using available lots within close proximity of FSH's Parkland Scholar House campus will allow the new homeowner to neighbor with others who have gone through the same process and have the same support system. A home would plant the seeds of possibility and provide an example of positive personal growth to incoming scholars and soon-to-be graduates. It would offer engagement opportunities for marketing, volunteering, and mentoring for scholars and staff, as well as provide an example of the stability homeownership can bring upon graduation.

Close proximity to FSH's Parkland Scholar House campus also allows the participant to continue accessing the services and support that they may need as part of the FSH post-graduation program. It also allows graduates a way to give back to the very community that has given so much to support them throughout their journey.

HFHML currently has one approved FSH participant, and one applicant under consideration. Additional FSH participants who are interested in applying for the HFHML program will make their decision known at least 1 year prior to graduating from the FSH program. During this 1 year preparation period, participants will actively participate in the Habitat for Humanity program, meeting all of their program requirements in conjunction with programming provided

by FSH that will further assist in educating and preparing the participant for sustainable employment and home ownership.

Those that apply but don't qualify will join the pilot program with HFHML called "Almost Home." This program will offer counseling and in-depth application assistance to those that may be close to qualifying but need some assistance from a certified Homeownership and Community Lending professional. "Almost Home" counseling sessions will cover a range of topics, from whether or not an applicant is ready to own a home, to discussing reasons for denials and barriers to homeownership, to analyzing credit reports and drafting budgets. Once an applicant is ready to reapply, they are offered application counseling and expedited application processing. This will help to ensure a higher approval rate of applicants and offer them much needed financial life skills.

Not only is this project an asset to the participants, it is also a benefit to the community that will now have another homeowner invested in the area as well as a new tax payer positively contributing to the vision of Louisville as a whole. In the event that our project is selected to receive the property, as well as the seed money of \$15,000.00, the majority of the funds will be used to help build the house. In addition, some of the funds will be used for marketing and programming to begin preparing the participant for their new journey towards homeownership.

Implementation Plan: Habitat for Humanity and Family Scholar House will start recruitment of potential homeowners in April 2014. Almost Home participants will be identified in 3Q 2014, a qualified applicant will be identified by Q4 2014, construction on the home will begin Q1 2015, and will be completed by 3Q 2015. All permits, utility hookups, insurance, etc. will be handled through the usual channels by HFHML. We have experience and expertise in this area and will ensure all paperwork has been submitted and approved.

Ongoing Operations and Maintenance Plan: Once built, the home will belong to the FSH homeowner who will begin to make mortgage payments to HFHML. Currently mortgages are for 20 years with zero percent interest and an average payment of \$550 per month. The homeowner would be responsible for property upkeep, yard and grass, etc. HFHML provides a one year warranty on the home and is available for consultation for any problems that may arise. As a homeowner in the Parkland community, they would also continue to be involved in FSH and the neighborhood.

Budget:

**Lots of Possibilities**

**Graduating to Homeownership**

**Habitat for Humanity - Metro Louisville and Family Scholar House**

Building of new home on consolidated lot

2926/2928 Dumesnil - Louisville

**Cash Resources**

<b>Partner/Agency</b>	<b>Resource Type</b>	<b>Dollar Value</b>
<u>HFH Partner Family</u>	<u>downpayment</u>	<u>\$ 100.00</u>
<u>HFH - Metro Louisville</u>	<u>funds from mortgage pymts.</u>	<u>\$ 18,500.00</u>
<u>FHLB/KHC</u>	<u>grant funding</u>	<u>\$ 15,000.00</u>
<u>Other Donors</u>	<u>house sponsor</u>	<u>\$ 35,000.00</u>
<u>Lots of Possibilities</u>	<u>grant funding</u>	<u>\$ 10,000.00</u>

**Non-Cash Resources**

<b>Partner/Agency</b>	<b>Resource Type</b>	<b>Dollar Value</b>
<u>National Partners/Area Vendors</u>	<u>appliances, other donated materials</u>	<u>\$ 5,000.00</u>
<u>HFH Volunteers</u>	<u>donations in kind - professional labor</u>	<u>\$ 1,200.00</u>
		<u>\$ 6,200.00</u>

**Total Project Revenue** \$ 84,800.00

**Project Expenses**

**Acquisition Costs**

<u>Purchase Price</u>	<u>\$ -</u>
<u>Demolition/Site Work</u>	<u>\$ 1,600.00</u>
<u>Liens/Taxes</u>	
<u>Other: utilities, water, septic, etc</u>	<u>\$ 1,550.00</u>
	<u>\$ 3,150.00</u>

**Hard Costs**

<u>Permits/Fees</u>	<u>\$ 350.00</u>
<u>Architecture</u>	<u>\$ 400.00</u>
<u>Construction Hard Costs</u>	<u>\$ 78,600.00</u>
<u>Appliances</u>	<u>\$ 1,100.00</u>

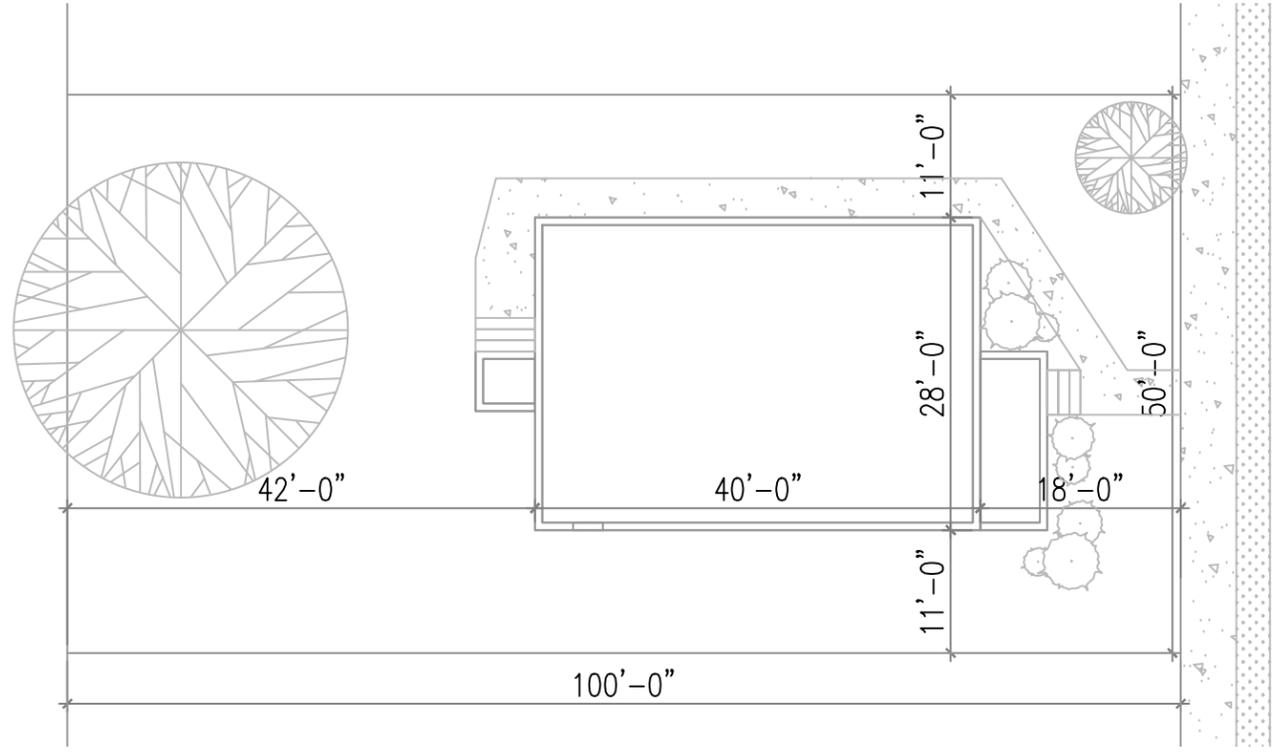
Other: \$ 80,450.00

**Soft Costs:**

<u>Accounting</u>	<u>\$ 400.00</u>
<u>Risk/Liability Insurance</u>	<u>\$ 400.00</u>
<u>Legal</u>	<u>\$ 400.00</u>

\$ 1,200.00

**Total Project Expenses** \$ 84,800.00



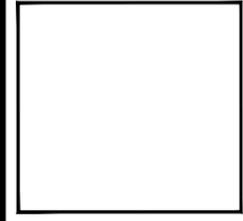
SITE PLAN  
SCALE: 1"=10'-0"

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A-1

Dumesnil Street 60' R/W

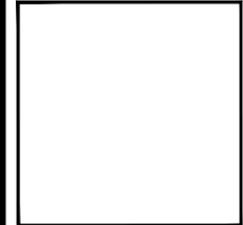
Revisions:

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HABITAT FOR HUMANITY  
OF METRO LOUISVILLE, INC.

Design Committee



Title: Plan Type: 3.28L-2014  
1 Floor/3 Bedrooms  
2926-8 DUMESNIL ST.

Scale: 1"=10'-0"

Date: 3-27-14

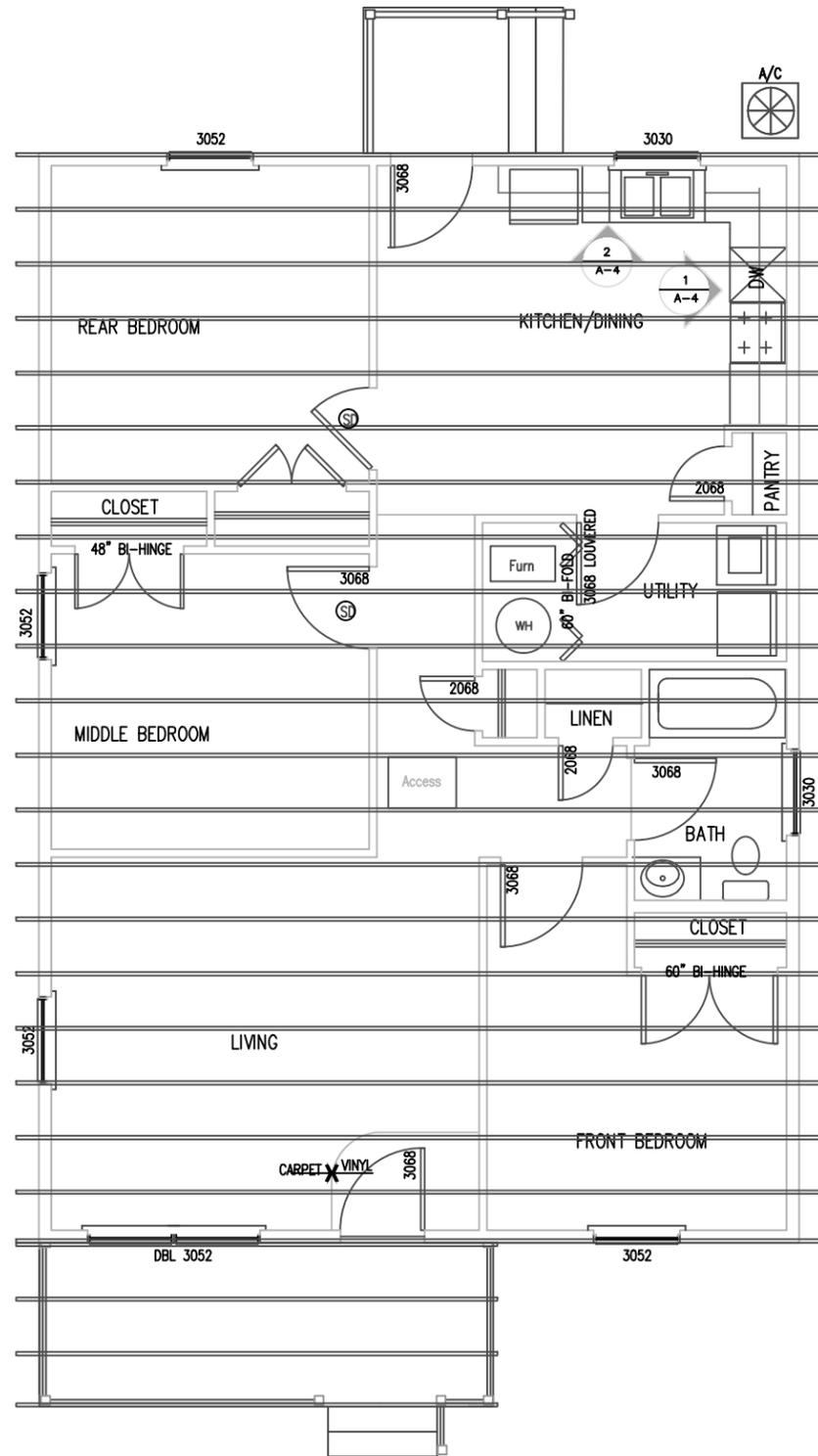
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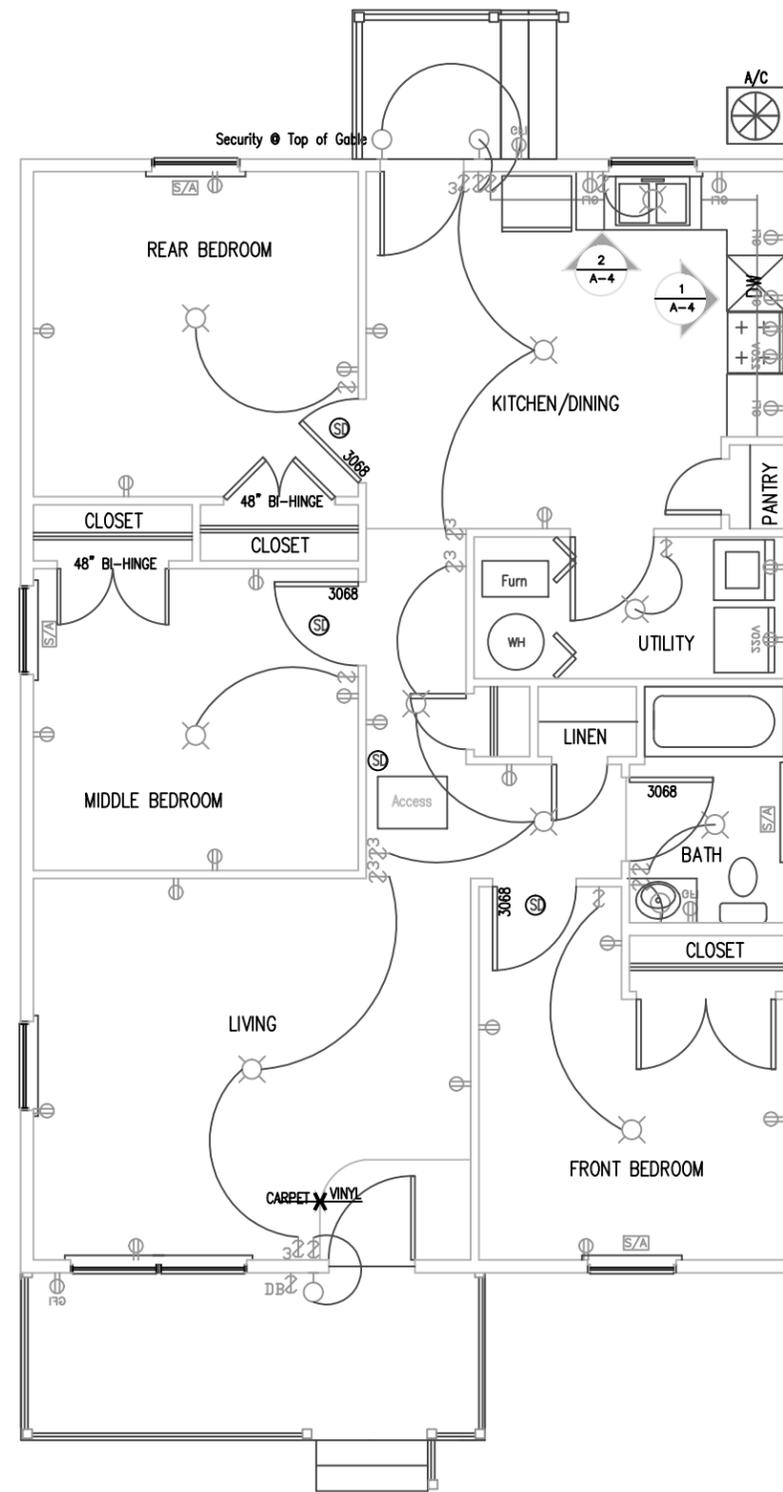
Revisions: 6-15-04

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ROOF TRUSS PLAN  
SCALE: 1/4"=1'-0"

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A-3



ELECTRICAL PLAN  
SCALE: 1/4"=1'-0"

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A-3

HABITAT FOR HUMANITY  
OF METRO LOUISVILLE, INC.

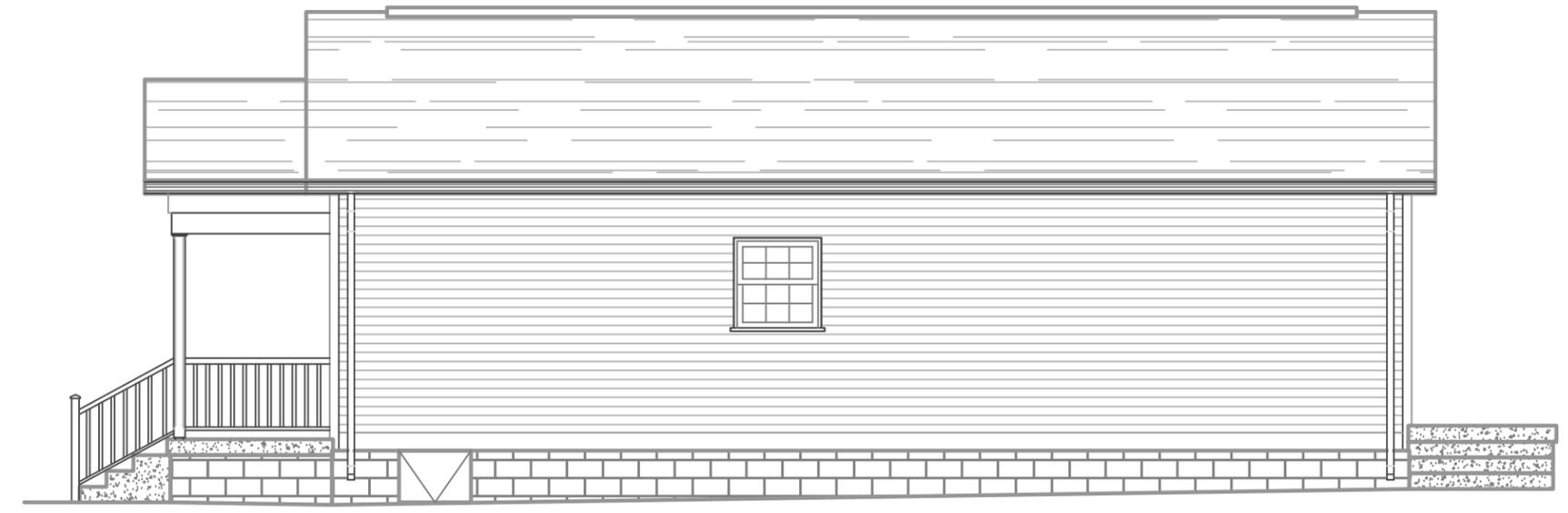


Design Committee

Title: Plan Type: 3.28L-2014  
1 Floor/3 Bedrooms  
2926-8 DUMESNIL ST.  
Scale: 1/4"=1'-0"  
Date: 3-27-14

Sheet No.:  
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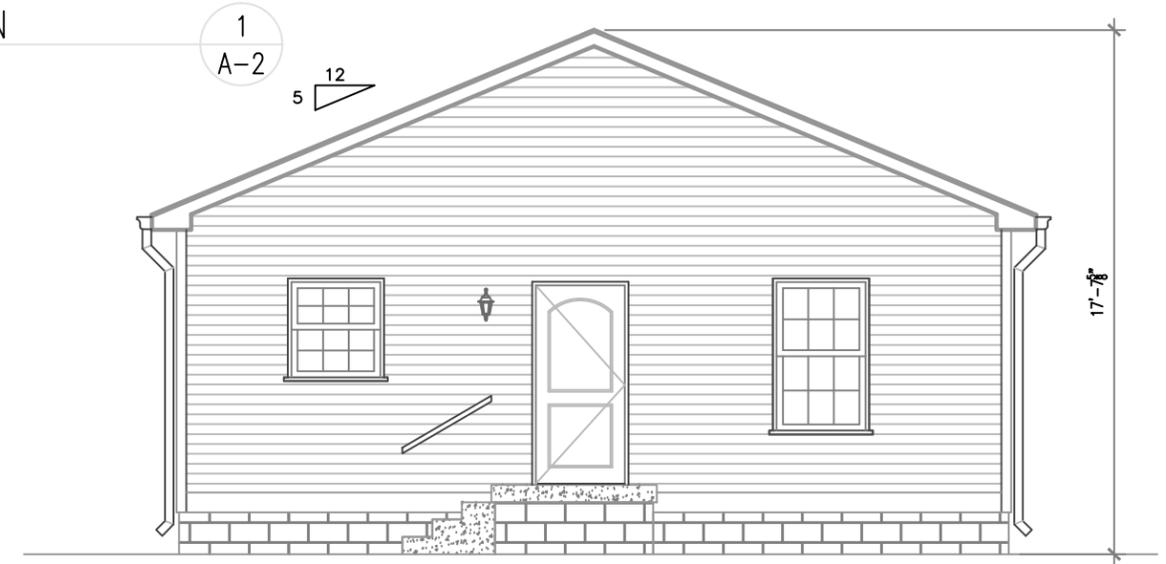
RIGHT ELEVATION  
SCALE: 1/4"=1'-0"

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A-2



FRONT ELEVATION  
SCALE: 1/4"=1'-0"

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REAR ELEVATION  
SCALE: 1/4"=1'-0"

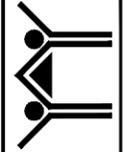
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LEFT ELEVATION  
SCALE: 1/4"=1'-0"

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HABITAT FOR HUMANITY  
OF METRO LOUISVILLE, INC.



Design Committee

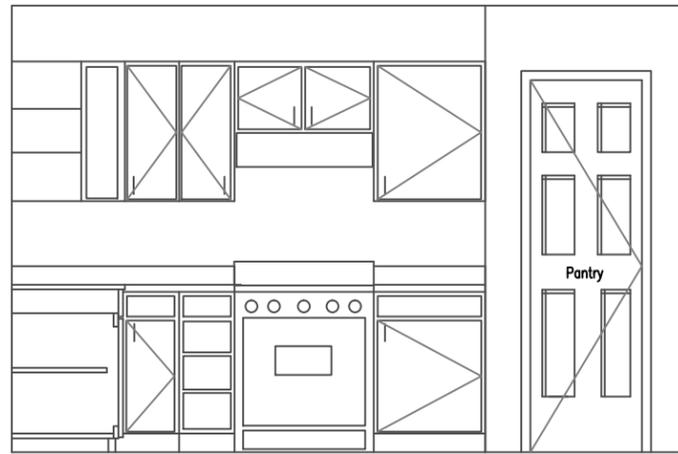
Title:  
Plan Type: 3.28L-2014  
1 Floor/3 Bedrooms  
2926-8 DUMESNIL

Scale:  
1/4"=1'-0"

Date:  
3-27-14

Sheet No.:

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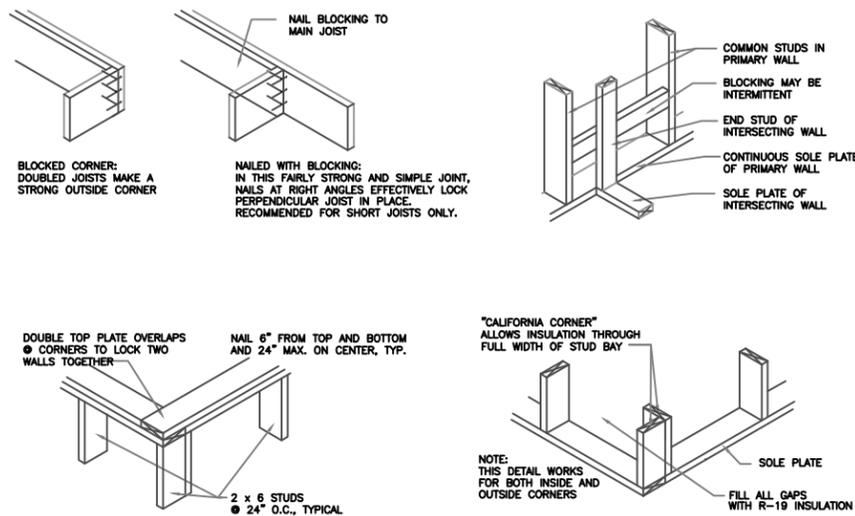


CASEWORK ELEVATION  
SCALE: 1/2"=1'-0"  
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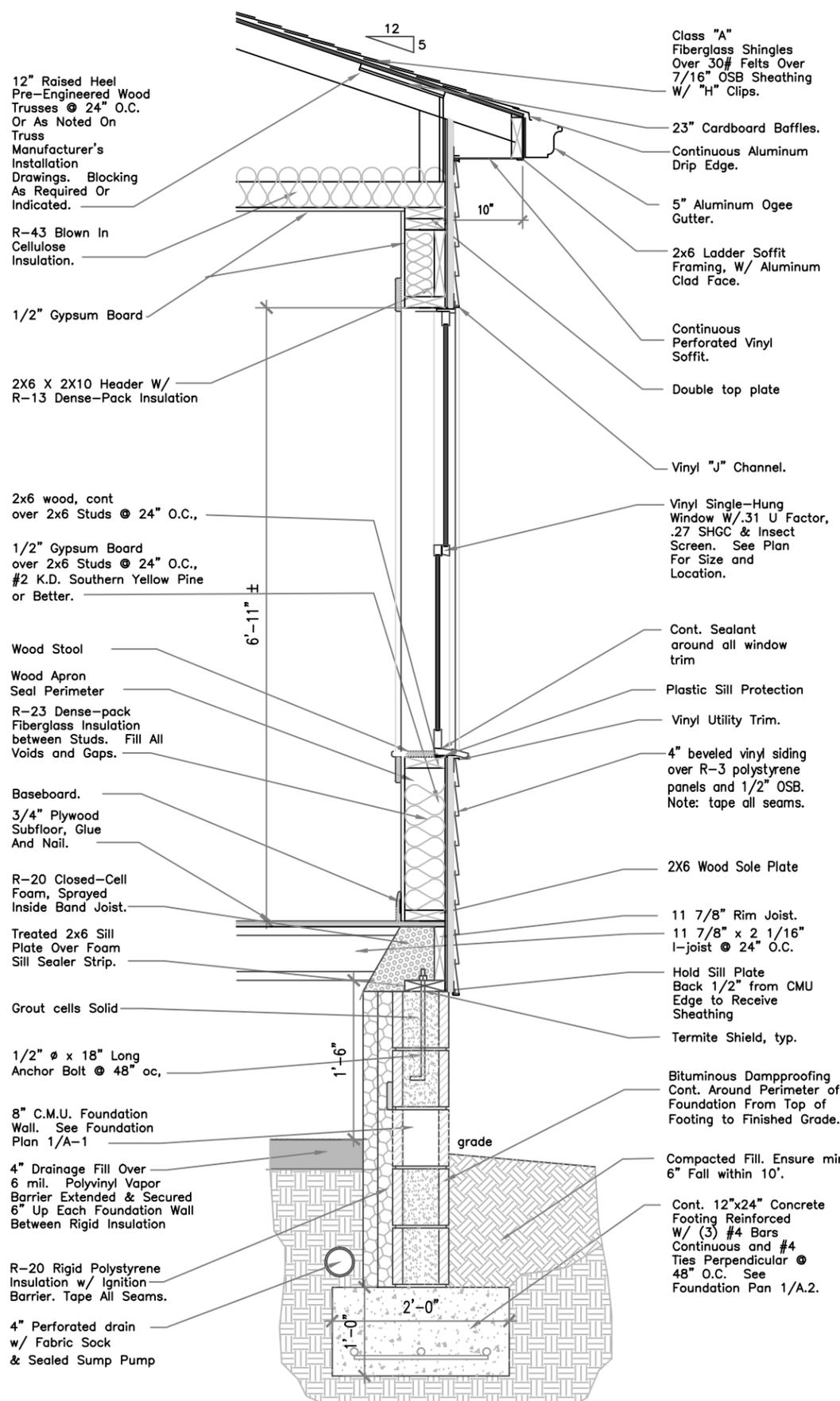
24" Strip Fluorescent with clear lense mounted 12" from wall centered



CASEWORK ELEVATION  
SCALE: 1/2"=1'-0"  
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WALL DETAILS  
SCALE: 1/2"=1'-0"  
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A-5



WALL SECTION  
SCALE: 1"=1'-0"  
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A-5

Revisions:

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HABITAT FOR HUMANITY OF METRO LOUISVILLE, INC.

Design Committee

Title: Plan Type: 3.28L-2014  
1 Floor/3 Bedrooms  
2926-8 DUMESNIL ST.

Scale: AS NOTED

Date: 3-27-14

Sheet No.:  
A-5



4820



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## Homeownership

Becoming a home owner means to me building a stable foundation for me and my family to seek comfort, security, and refuge.

Owning a home is the American dream and it is something that most people are able to do. There are lots of benefits to owning a home, although there are a lot of responsibilities. In most cases you will find that the benefits outweigh the responsibilities. Owning a home is really one of the best financial investments that I can make.

The biggest benefit of being a homeowner is that you own, your own house. It is yours; you can do whatever you want with it. If I want to paint the living room I can do that. I have a freedom that I would never have if I were a renter. There is also a certain pride of ownership that comes with owning a house. I have a feeling of stability that I don't get when I am renting from somebody else.

Becoming a partner with Habitat for Humanity is a once in lifetime opportunity that I honor being a part of. I chose Habitat to partner with because they provided me with the opportunity to learn and give back to the community while providing me with affordable shelter. Habitat for Humanity is a non-profit organization that involves the community coming together to build homes, communities, and hope impacting the world and one's life. They offer no interest mortgage loans and those mortgage payments received from homeowners are recycled directly into a revolving fund used for the construction of future homes.

Being a homeowner carries responsibilities in many of the same ways that being a parent demands responsibilities. However, being a homeowner also have benefits including: shelter, security for my family, a source of pride for me and my family, a safe investment that will most likely grow over time, the ability to make my own improvements and decorating choices, and the freedom to plant a garden and landscape my yard. Becoming a homeowner is the first step I'm taking that will help establish me and my family a brighter future and build a stable foundation.

Latosha Mathis



**FEDERAL HOME LOAN BANK  
OF CINCINNATI**

December 16, 2013

Ms. Nancy E. Presnell  
Senior Vice President, Managing Director of Compliance & CRA  
Republic Bank & Trust Company  
601 West Market Street  
Louisville, KY 40202

Dear Mrs. Presnell:

Your Affordable Housing Program ("AHP") application for HFH of Metro Louisville 2013 (Project Number: 201301-0033) was approved by the Board of Directors of the Federal Home Loan Bank of Cincinnati ("the FHLBank") on November 21, 2013. In order to formally accept the AHP grant, the enclosed Affordable Housing Program Agreement ("AHP Agreement") and Affordable Housing Direct Subsidy Agreement ("DSA") must be signed and the original copies returned to the attention of Ms. Mary L. Hernandez, AHP Manager, within 30 calendar days.

In executing the enclosed DSA, the individual signing must be listed on the Member's Resolution for Advances on file at the FHLBank. To obtain a list of those authorized individuals, please contact the Housing & Community Investment Department at (888) 345-2246 or (513) 852-7680 and provide your Demand Deposit Account number.

Finally, enclosed is a copy of the FHLBank of Cincinnati – AHP Application Scoring Sheet. The Scoring Sheet provides a summary of your project's parameters as approved by the FHLBank.

Should you have any questions, please contact Ms. Mary Hernandez at (513) 852-7604.

Sincerely,

Damon v. Allen  
Senior Vice President

Enclosures

- c: Mrs. Anne MacArthur, Habitat For Humanity of Metro Louisville
- Mr. Roger B. Dutschke, The Housing Foundation, Inc.

**FEDERAL HOME LOAN BANK OF CINCINNATI**  
**Affordable Housing Program Agreement**  
**for an Owner Occupied Project**

The Federal Home Loan Bank of Cincinnati ("FHLBank"), Republic Bank & Trust Company ("Member"), and Habitat For Humanity of Metro Louisville ("Project Sponsor") enter into this Affordable Housing Program Agreement ("Agreement") for Owner Occupied Project, effective November 21, 2013, which sets forth the respective duties and obligations of the Member and Project Owner with regard to the approval and funding of the Member's Affordable Housing Program ("AHP") Application ("Application") by the FHLBank.

This Agreement shall be binding upon the parties and upon any successor in interest to the parties.

1. The Member and the Project Sponsor shall be bound by the terms and conditions governing the approval and funding of the Application, including any and all representations made in said Application. Certain of the Application's features are as follows:

**Project Name:** HFH of Metro Louisville 2013  
**Project Number:** 201301-0033  
**Project Sponsor:** Habitat For Humanity of Metro Louisville  
**Grant Amount:** \$211,775

**Total Approved Project Units:** 10

**Income Targeting:**

Units between 71% - 80% of Median Income:	0
Units between 61% - 70% of Median Income:	0
Units between 51% - 60% of Median Income:	10
Units at or below 50% of Median Income:	<u>0</u>
Total:	<u>10</u>

**Other Targeting:**

Homeless Units Approved:	0
Special Needs Units Approved:	2

**Member Role:** The Member will provide a below market-rate construction loan, a cash contribution.

**Use of Subsidy:** The AHP grant will be used to cover construction/rehab costs, downpayment assistance, closing cost assistance, and gap financing.

2. Member and Project Sponsor agree to be bound by (i) the AHP regulations (12 C.F.R. Part 1291) and policies of the Federal Housing Finance Agency ("FHFA") as may be in effect from time to time or the regulations in effect from time to time of any successor in interest to the FHFA and (ii) the AHP guidelines and requirements of the FHLBank or any successor in interest to the FHLBank as may be in effect from time to time. Member and Project Sponsor agree that no modifications will be made to the project's specifications, as set forth in the Application, without the prior written approval of the FHLBank. To the extent the FHFA's applicable regulations are inconsistent with any term or provision of this Agreement, said regulations shall govern the conduct and obligations of the parties.

3. The Project Sponsor and the Member agree to report promptly to the FHLBank's Housing and Community Investment Department any material changes in the financial structure of the project, including but not limited to, any new or increased sources of funds, failure to receive other project-related funds and compensated tax credit utilization, or any other material changes in the project's scope and terms. The FHLBank retains the right to reevaluate the need for the Subsidy in light of any such material changes and may make such modifications thereto, including the amount of the Subsidy, as it deems appropriate in its sole discretion. The FHLBank will not allow any change in the Sponsor's relationship to the project and expects that the financing structure proposed will be implemented without significant changes.

4. In order to ensure that the approved level of subsidy from the FHLBank is still warranted at the actual funding date, in conformity with the requirements of the FHFA's applicable regulations, the FHLBank will reevaluate the subsidy level and will only fund that portion of the subsidy deemed necessary by the FHLBank to fund the project. In such reevaluation the FHLBank will principally consider pro-forma data, including, among other factors, the following:

- (a) All sources of funds including estimates of funds from all other sources, whether actually committed or not;
- (b) An estimate of the market value of in-kind donations and volunteer professional labor and services but not the value of sweat equity; and,
- (c) Project costs as reflected in the project's budget, including whether such costs are reasonable and customary, in accordance with the FHLBank's project feasibility guidelines, in light of industry standards for the location of the project and the long-term financial needs of the project.

5. Before funding, the FHLBank shall determine whether the project is feasible, in accordance with the FHLBank's project feasibility guidelines, based on factors including but not limited to, applicable financial ratios, geographic location and other non-financial project characteristics. The approved Subsidy must be necessary for the financial feasibility of the project, and the rate of interest, points, fees, and any other charges for all loans financing the project must not exceed a market rate of interest, points, fees and other charges for loans of similar maturity, term and risk.

6. The Member shall pass on the full amount of the subsidy to the project, or household in the case of homeownership funding, for which the Subsidy was approved.

7. The Member shall use the Subsidy in accordance with the terms of the Member's Application, the requirements of the FHFA's applicable regulations and the FHLBank's policies and procedures.

8. The Project Sponsor agrees to use the Subsidy in accordance with the terms of the Member's Application, the requirements of the FHFA's applicable regulations and the FHLBank's policies and procedures.

9. The Member shall repay to the FHLBank that portion of the subsidy, including interest as may be determined in the FHLBank's discretion, if appropriate, that as a result of the Member's actions or omissions, is not used in compliance with the terms of the Application or the requirements of the FHFA's applicable regulations, unless such non-compliance is cured by the Member within a reasonable period of time as determined by the FHLBank or the circumstances of such non-compliance are eliminated through a modification of the terms of the Application pursuant to the applicable FHFA regulations.

10. The Project Sponsor shall repay to the FHLBank that portion of the Subsidy, plus interest as determined in the FHLBank's discretion, if appropriate, that, as a result of the Project Sponsor's actions or omissions, is not used in compliance with the terms of the Application or the requirements of the FHFA's applicable regulations, unless such noncompliance is cured by the Project Sponsor within a reasonable period of time as determined by the FHLBank or the circumstances of such noncompliance are eliminated through a modification of the terms of the Application, pursuant to FHFA regulations.

11. The Project shall incur AHP eligible expenses, draw down a portion of the Subsidy or use the Subsidy to procure other financing commitments within 12 months of the date of approval of the Application. All sources of funding must be committed within 18 months of the Application's approval. If the Subsidy approved is not drawn down and used by the project and the project is not complete within 48 months, the FHLBank may cancel its approval and make such canceled subsidy available for other AHP-eligible projects.

12. During the commitment period, the Project Sponsor must report to the Member and the FHLBank at least twice per year on whether reasonable progress is being made towards completion of the project. Satisfactory progress towards completion will be determined based on the following:

- (a) At least one funding commitment other than AHP funding is secured with 12 months of approval;
- (b) The project receives all other funding commitments within 18 months of approval;
- (c) Acquisition of the first ownership unit is completed within 24 months of approval;
- (d) Construction or rehabilitation activities eligible for AHP use begin within 24 months of approval;
- (e) Acquisition, construction, and/or rehabilitation of all project units are completed within 36 months of approval; and,
- (f) Satisfactory documentation to allow for the full disbursement of subsidies is submitted and project will achieve suitable occupancy levels within 48 months of approval.

Projects that are not making satisfactory progress are subject to de-obligation of any undisbursed AHP subsidy and recapture of any disbursed AHP subsidy.

13. At time of disbursement, Sponsors and Members must submit information sufficient for the FHLBank to determine that: (i) subsidies were used for eligible purposes; (ii) household incomes comply with income and occupancy targeting commitments made in the approved application at the time the households were qualified by the Sponsor to participate in the

project; (iii) actual costs are reasonable in accordance with the FHLBank's project cost guidelines and affordability requirements; (iv) subsidy is necessary for the financial feasibility of the unit and project as currently structured; (v) the AHP-assisted units are subject to deed restrictions or other legally enforceable retention agreements or mechanisms as required by 12 C.F.R. Part 1291.9 and specified in paragraph 16 below; and (vi) the services and activities committed in the application have been provided.

14. Where the Subsidy is used to finance the purchase of owner-occupied units, the Project Sponsor must maintain household income verification documentation available for review by the Member or the FHLBank.

15. The Member shall make best efforts to transfer its obligations under the Application and this Agreement to another Member in the event of its loss of Membership in the FHLBank, prior to the FHLBank's final disbursement of the Subsidy. 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 FHLBank (Nonmember), the Nonmember successor organization assumes the Member's obligations under its approved Application for AHP subsidy. If the Member voluntarily terminates its membership in the FHLBank, the institution is still obligated to comply with this Agreement in its entirety.

16. The Member shall ensure that an AHP-assisted owner-occupied unit is subject to a deed restriction or other legally enforceable retention agreement or mechanism requiring that (i) the FHLBank is to be given notice of any sale, refinancing, foreclosure, conveyance by deed in lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the retention period; (ii) in the case of a sale or refinancing prior to the end of the retention period, an amount equal to a pro rata share of the AHP Subsidy that financed the purchase, construction, or rehabilitation of the unit, reduced for every year the seller owned the unit, shall be repaid to the FHLBank from any net gain realized upon the sale or refinancing of the unit, unless (a) the unit was assisted with a permanent mortgage loan funded by an AHP subsidized advance, (b) the subsequent purchaser is a very low-, or low- or moderate-income household as defined in the applicable FHFA regulations for the AHP (in which case the retention period ends with the conveyance to such purchaser); or (c) following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii). The obligation to repay Subsidy to the FHLBank shall terminate after any foreclosure or conveyance by deed in lieu of foreclosure or assignment of the first mortgage to the Secretary of HUD.

17. If the Member or Project Sponsor lends a direct subsidy to the project, any repayments of principal and payments of interest received by the Member or the Project Sponsor must be paid forthwith to the FHLBank.

18. The Member and Project Owner hereby agrees to defend, indemnify and hold harmless the FHLBank and all its officers, directors, employees and agents in connection with any obligation, liability, cause of action, claim, cost or expense (including, without limitation, attorney's fees) related to or arising from or under this Agreement except those related to or arising from (a) a breach by the FHLBank of any of its obligations under the Agreement or (b) actions or omissions by the FHLBank involving gross negligence or willful misconduct.

19. This Agreement shall be deemed adopted pursuant to and controlled solely by Ohio law and such federal laws as may be applicable to the parties. The parties hereto consent to and

agree to the exclusive jurisdiction of the United States District Court for the Southern District of Ohio or, if such action or proceeding may not be brought in federal court, the exclusive jurisdiction of the Courts of the State of Ohio located in Hamilton County, Ohio.

20. Each party acknowledges that this Agreement represents the complete and exclusive Agreement and understanding between the parties, and supersedes all previous understandings, negotiations and proposals, whether oral or written. No modification, amendment, waiver, consent or discharge in connection with this Agreement or any of its provisions shall be binding upon the parties unless in writing and signed by the parties hereto. In the event that any provision contained in this Agreement should, for any reason, be held invalid or unenforceable under any applicable laws, such invalidity or non-enforceability shall not affect the enforceability of any other provision of this Agreement.

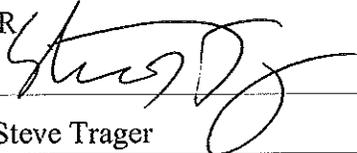
This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be one and the same instrument.

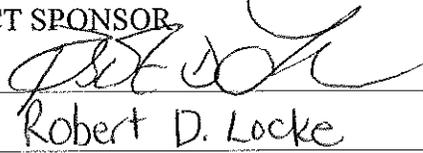
The parties accept the terms and conditions of the funding as set forth herein by executing this Agreement in the space set forth below. In indicating their acceptance of the terms and conditions of the funding set forth herein, the parties also represent and warrant that they have full corporate power and authority and have received all corporate and governmental authorizations and approvals as may be required to enter into and perform their obligations under this Agreement in connection with the Subsidy and that at all times they will adhere to the terms and conditions set forth herein.

Agreed to and Accepted:

THE FEDERAL HOME LOAN BANK OF CINCINNATI

By:   
Name: Damon v. Allen  
Title: Senior Vice President & Community Investment Officer  
Date: December 16, 2013

MEMBER  
By:   
Name: Steve Trager  
Title: Chairman & Chief Executive Officer  
Date: 1/8/14

PROJECT SPONSOR  
By:   
Name: Robert D. Locke  
Title: CEO  
Date: 1/8/14

JMC

COMMITMENT PERIOD: November 21, 2013 - November 21, 2017

PROJECT NUMBER: 201301-0033

AFFORDABLE HOUSING DIRECT SUBSIDY AGREEMENT

Republic Bank & Trust Company, Louisville, KY, ("Member") pursuant to its Application for the Affordable Housing Program ("AHP"), as approved by the Federal Home Loan Bank of Cincinnati ("FHLBank"), hereby requests and the FHLBank hereby grants a direct subsidy in the amount of \$211,775 subject to the terms and conditions below.

TERMS AND CONDITIONS

1. REGULATIONS. Member agrees to be bound by the AHP regulations of the Federal Housing Finance Agency as same may be amended from time to time.

2. MONITORING. Member shall monitor the use of funds granted hereunder in accordance with AHP regulations of the Federal Housing Finance Agency. The Member shall certify to the FHLBank that the AHP project and use of subsidy funds supplied by the FHLBank continue to be in compliance with statutory and regulatory requirements.

3. REPORTING. Member shall report to the FHLBank its monitoring efforts and results from time to time as requested by the FHLBank. Member shall provide any additional relevant reports or information as may be required by the FHLBank or the Federal Housing Finance Agency.

4. RECAPTURE. If the recapture of the subsidy is required pursuant to the AHP regulations of the Federal Housing Finance Agency, the amount of the subsidy granted and paid to Member shall be immediately paid or, at the FHLBank's option, converted to an advance which would be subject to the Blanket Agreement for Advances and Security Agreement ("Blanket Agreement") and the FHLBank's credit and collateral policies. Member agrees to fully cooperate with respect to any action taken including the execution of additional Advances documentation and provision of additional collateral security.

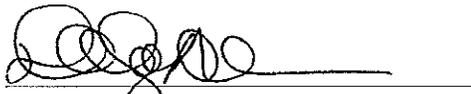
5. REPRESENTATIONS AND WARRANTIES. Member represents and warrants to FHLBank that, (i) it has full corporate power and authority and has received all corporate and governmental authorizations and approvals as may be required to enter into and perform its obligations under this Agreement; (ii) it will maintain the terms of this Agreement on its records; (iii) it has executed a Blanket Agreement for Advances and Security Agreement with the FHLBank and such agreement is in full force and effect; and (iv) it will insure that the subsidy will not be used for arbitrage purposes and that the subsidy will be used only for authorized purposes under, and is not in excess of that allowed by, the aforesaid Regulations or the Federal Home Loan Bank Act.

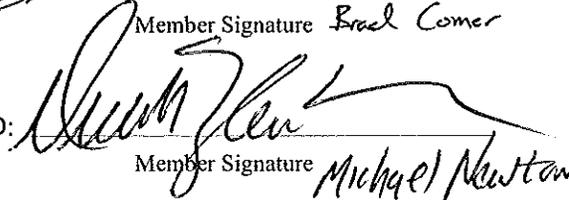
Date: 1/8/2014

Republic Bank & Trust Company  
Louisville, KY  
DDA #: 101493

Federal Home Loan Bank of Cincinnati

BY:   
Member Signature *Brad Comer*

BY:   
FHLBank Signature

AND:   
Member Signature *Michael Newton*

AND: \_\_\_\_\_  
FHLBank Signature

**2013 FHLBANK OF CINCINNATI - AHP APPLICATION SCORING SHEET**

**APPLICANT:** Republic Bank & Trust Company; Louisville, KY **RANK**  
10

**PROJECT:** Habitat For Humanity of Metro Louisville -- HFH of Metro Louisville 2013

**DESCRIPTION:** The project involves the construction of eight new energy-efficient and acquisition/rehabilitation of two single-family homes for purchase by low-income, first-time homebuyers, of which two will have special needs. Financing for the \$949,270 project includes Sponsor mortgages; homebuyer downpayments; a Member cash contribution; a Sponsor cash contribution; fundraising; donated land, professional labor and materials; and a \$211,775 AHP grant. The households will be empowered through the provision of homeownership counseling, and education services. The AHP subsidy is less than or equal to 25% of the total development costs.

<b>Grant Amount:</b> \$211,775	<b>Development Cost:</b> \$949,270	<b>Housing Dev. Cost:</b> \$949,270	<b>Cost per Unit:</b> \$94,927	<b>Leverage Ratio:</b> 4.48	<b>Project Number:</b> 201301-0033
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<b>CRITERIA</b>	<b>SCORE</b>	<b>SCORE</b>
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**First District Priority (30)**

**Project Sponsorship (5)**

<b>Member Financial Participation (5)</b>	<b>3.00</b>
First Mortgage Permanent Loan	0
Construction Loan	1
Cash Contribution	1
Servicing of Borrower Loans	0
Reduced Rate (on permanent loan)	0
Reduced Rate (on construction loan)	1

Primary Sponsor a Non-Profit 501(c)(3) or (c)(4)	2	<b>5</b>
Financial Contribution	1	
Predevelopment Activities	0	
Construction/Rehab by the Sponsor	1	
First Mortgage / Permanent Financing by Sponsor	1	
Marketing/outreach activities	1	
Management of Project	0	

<b>First-Time Homebuyers (5)</b>	10 of 10	100.00%	<b>5.00</b>
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**Promotion of Empowerment (5)**

<b>Community Involvement (5)</b>	<b>5.00</b>
Construction Labor by Member/Comnty Group	2
Landscaping by Member/Community Group	1
Donation of Goods/Services	1
Fee Waivers from Local Government	1

Credit Counseling/Budgeting /Financial Literacy	0	<b>2</b>
Mandatory Homebuyer Counseling	1	
Employment Training	0	
Education Services	1	
Skills Training/Workforce Re-Entry	0	
Daycare Services	0	
Tenant Position on Sponsor's Board of Directors	0	

<b>In District Project (5)</b>	<b>5.00</b>
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<b>Special Needs Housing (10)</b>	2 of 10 units	<b>5.00</b>
Mental/Physical/Devlpmntl/Co-occurring Disabil.	2	
Physically/Emotionally Abused	0	
Chemical Dependency	0	
Persons with AIDS	0	
Elderly	0	

**Subsidy per Unit (10)**

AHP-Assisted Units:	10	<b>5.00</b>
Subsidy per Unit:	\$21,177.50	

**Income Targeting (20)**

Units at or below 50% of area median income	0	<b>19</b>
Units at 51% to 60% of area median income	10	
Units at 61% to 70% of area median income	0	
Units at 71% to 80% of area median income	0	
Units above 80% of area median income (market rate)	0	

<b>First District Priority Score</b>	<b>23</b>
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**Second District Priority (10)**

**Housing for Homeless Households (5)**

<b>Housing in Appalachia (3)</b>	<b>0.00</b>
<b>Outside Funding Commitments (2)</b>	<b>0.00</b>
<b>AHP Leverage (5)</b>	<b>5.00</b>
AHP =<25% of TDC	5
AHP >25% but <50% of TDC	0

**Community Stability (10)**

Project Located Within a Qualified Census Tract	1	<b>8.00</b>
Consistent with Neighborhood Stabilization Plan	1	
Utilization of Vacant and Foreclosed Property	1	
Adaptive Reuse	0	
Preservation of Affordable Rental Units	0	
Energy Efficient New Construction	4	
Substantial Rehab of Existing Housing Units	1	

<b>Second District Priority Score</b>	<b>5.00</b>
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**Donated Properties (5)**

<b>Donated Properties (5)</b>	<b>5</b>
Federal Government Properties	0
Donated other Properties (Unrelated party)	5
Below Market Properties (Unrelated Party)	0
Donated other Properties (Related party)	0

<b>Total Score:</b>	<b>72.00</b>
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