

INVITATION TO PARTICIPATE

The Jacksonville Housing Finance Authority (the “Issuer”) invites you to apply for the Homeowner Mortgage Revenue Bond Program, Series 2007A (the “Series 2007A Program”) as a participating lender.

Highlights of the Series 2007A Program

- Purchase Price and Income Limits

Non-Targeted:

<u>1-2 Family Members</u>	<u>3+ Family Members</u>	<u>Purchase Price</u>
\$60,300	\$69,345	\$247,500

Targeted:

<u>1-2 Family Members</u>	<u>3+ Family Members</u>	<u>Purchase Price</u>
\$72,360	\$84,420	\$302,500

- No Commitment Fees
- Funds held in a first-come, first-served pool
- No origination and discount points for all Mortgage Loans
- New loan options for homebuyers:
 - **“Low Rate” Loan** – 30-year, fixed rate, amortizing mortgage.
 - **“30-year Assisted” Loan** – 30-year fixed rate, amortizing mortgage.
Borrower also receives 4% cash assistance payment for closing costs and/or down payment assistance.
- Lender net profit of 1.75%
- No doc stamps and intangible taxes on the Mortgage and Note

Lender Training

Online Lender Training will be required following acceptance of the Offer to Originate; Loan Reservations will be accepted immediately following Lender Training which will be scheduled with the Program Administrator.

Revised November 5, 2007

This invitation constitutes a solicitation of offers to participate in the Series 2007A Program and does not bind the Issuer. The Issuer reserves the right to modify the terms of the Series 2007A Program at any time prior to its acceptance of Offers to Participate.

Participants' comments or questions about any of the enclosed documents are encouraged and should be forwarded to:

Denise Rodriguez
RBC Capital Markets
(727) 895-8857
(727) 895-8895 (fax)
denise.rodriguez@rbccm.com

Kandi Begue
Jacksonville Housing Finance Authority
(904) 255-8206
(904) 357-5928 (fax)
kbegue@coj.net

INVITATION TO ORIGINATE MORTGAGE LOANS

JACKSONVILLE HOUSING FINANCE AUTHORITY HOMEOWNER MORTGAGE REVENUE BONDS, SERIES 2007A

The JACKSONVILLE HOUSING FINANCE AUTHORITY (the "Issuer") hereby invites you to apply for participation in the Issuer's Homeowner Mortgage Revenue Bonds, Series 2007A Program (the "Series 2007A Program"). The description of the Series 2007A Program contained herein is intended only as a summary of certain provisions of the Series 2007A Program and is subject to more complete description of the rights, duties and obligations of the Participants contained in the Master Mortgage Origination and Servicing Agreement and/or certain supplements thereto (collectively, the "Agreement"). The Agreement and this Invitation should be read carefully in its entirety. In the event of any conflict between this Invitation and the Agreement, the Agreement shall control over this Invitation. Unless otherwise defined herein, all capitalized terms and phrases not specifically defined in this Invitation shall have the meanings set forth in the Agreement.

Every lending institution (including commercial banks, savings and loan associations and mortgage bankers) which (i) is currently participating in the local private home lending market within Duval County, Florida (the "County") (ii) has errors and omissions coverage of at least \$300,000 and is acceptable to Fannie Mae, GNMA or Freddie Mac, as applicable, and an approved private mortgage insurer, (iii) can make the representations, warranties and covenants set forth in the Agreement, (iv) is willing to originate fixed rate Mortgage Loans in conformity with the mortgage eligibility requirements of Fannie Mae, GNMA or Freddie Mac, and (v) meets the requirements set forth in the Agreement and the Invitation, shall be permitted to submit an Offer to Originate and Sell Single Family Mortgage Loan pursuant to the Series 2007A Program. Mortgage Loans may only be originated by persons who attend online training conducted by the Program Administrator. Lenders submitting an Offer will need to schedule a special training session with the Program Administrator.

THE REQUIREMENTS FOR PARTICIPATING IN THIS SERIES 2007A PROGRAM AND THE REQUIREMENTS FOR ORIGINATION OF MORTGAGE LOANS THEREUNDER ARE DESCRIBED BELOW, IN THE SERIES 2007A PROGRAM DETERMINATIONS AND IN THE AGREEMENT, TO WHICH EACH PARTICIPANT MUST BECOME A SIGNATORY PARTY, AND WHICH REQUIREMENTS ARE INCORPORATED HEREIN BY REFERENCE THERETO. ALL TERMS AND CONDITIONS SET FORTH HEREIN AND THEREIN ARE SUBJECT TO MODIFICATION UNTIL SUCH TIME AS THE MORTGAGE LOANS HAVE BEGUN TO BE ORIGINATED UNLESS THE SUPPLEMENTAL TRUST INDENTURE OF THE SERIES 2007A PROGRAM HAS BEEN AMENDED.

Purpose: The Issuer plans to issue not to exceed \$21,290,000 of its Homeowner Mortgage Revenue Bonds, Series 2007A (the "Series 2007A Bonds") to finance the acquisition of GNMA Certificates, Fannie Mae Securities and Freddie Mac Securities comprised of Mortgage Loans, which Mortgage Loans will be originated by the Participants and sold to the Series 2007A Program's master servicer to be appointed by the Issuer (the "Servicer" or "Master Servicer") for assignment to Fannie Mae, GNMA or Freddie Mac, as applicable, to finance the acquisition of owner-occupied residences qualifying under the Series 2007A Program within the limits of the County ("Residences").

Program Area: The Series 2007A Program is available to serve only residents of Duval County, Florida.

Loan Program: The Series 2007A Program will offer two selections of mortgage rate options to homebuyers. The first loan option is a 30-year, fixed rate, fully amortizing loan (the "Low Rate Loan"). The second loan option is a 30-year Assisted Loan which is a 30-year, fixed rate, fully amortizing loan that provides a 4% cash assistance payment at closing for the borrower to apply for down payment or closing costs (the "30-year Low Rate Loan").

All mortgages have no origination and discount fees. The interest rate for the Mortgage Loans have been established by the Issuer ~ please see Loan Options and Rates.

The final amount available for each Mortgage Loan option is set forth in the Notice of Acceptance (as hereinafter defined). The Issuer has established a maximum amount of lendable funds available under each option.

Tracking of reservations of Low Rate Loans and 30-year Assisted Loans will be performed by the Program Administrator and to the extent program-wide limits, if any, are reached, Participants will be so notified and limited options may be available for future usage.

On behalf of the Issuer, the Program Administrator will use an Internet Reservation System for the administration of the Series 2007A Program. Participants will be permitted to make a reservation online. The system is available, through password entry, via the Program Administrator's website. The requirements for access to the system, the process and available features will be further described in the Lender Guide and the Series 2007A Program Determinations

Purchase Price of Mortgage Loans:

The purchase price of each Mortgage Loan under the Series 2007A Program will be set such that Participants shall net 1.75% of the principal amount after reimbursement of any funds advanced by the Participant for all Mortgage Loans.

Commitment Fees:

Participants will NOT be required to pay a commitment fee. The Issuer will make Series 2007A Program funds available to Participants pursuant to a first-come, first-served pooled reservation procedure throughout the hereinafter defined Origination Period until there are no funds remaining under the Series 2007A Program.

Loan Types:

Qualifying Mortgage Loans must be eligible for purchase by GNMA, Fannie Mae or Freddie Mac. All homes financed under the Series 2007A Program must be the primary residence of the owner-occupant unless a) the home is located in a federally designated target area, b) the loan is Qualified Rehabilitation Loan (as defined in the tax code), or c) the borrower's prior residence (must be in Florida) was rendered uninhabitable by Hurricane Katrina (documentation required).

Origination Period:

The period for originating Mortgage Loans (the "Origination Period") to be funded with proceeds of the Series 2007A Bonds commenced on October 18, 2007 (the "Program Start Date"), and will last approximately 12-1/2 months, until November 1, 2008 (the "Final Reservation Date"). For Mortgage Loans to be eligible for purchase under the Series 2007A Program:

(a) Underwriter Certification must be submitted to and accepted by the Program Administrator's on-line mortgage reservation system within 45 days of the date a reservation for a loan is made by the Participant (the "Reservation Date");

(b) each loan must be closed and the closed loan package delivered to the Master Servicer within 85 days of the Reservation Date; and

(c) each loan must be cleared of any exceptions and purchased by the Servicer within 115 days of the Reservation Date.

In the event the processing times set forth in (a) and (b) above are not met, the applicable loan will be cancelled by the Master Servicer and the Participant may lose the ability to resubmit the loan.

Participants shall deliver the closed loan package to the Servicer for purchase in accordance with the provisions in the Agreement not later than the 20th calendar day following the loan closing date.

First-Time Homebuyer

Requirements:

Federal law requires that the proceeds of the Series 2007A Bonds must be used to finance Mortgage Loans made to households that have not had a home ownership interest in a principal residence at any time during the three-year period preceding the closing date of the Mortgage Loan. To ensure compliance with this, all borrowers seeking Mortgage Loans for Residences located outside of Targeted Areas must submit to the Participant his or her federal income tax returns for the prior three years or other acceptable evidence that such requirement has been met. The first-time homebuyer requirement is not applicable to loans made in the Targeted Areas or for loans made to qualified Veterans.

Acceptable Property

Types:

Single family attached and detached, condos, PUD and manufactured homes must meet FHA standards.

Targeted Areas:

A percentage of the funds available under the Series 2007A Program must be set aside for a period of one year from the Program Start Date for Mortgage Loans originated to finance Residences in federally designated targeted areas. The Targeted Areas for the County are as follows (census tract #'s provided): Census Tract: 4, 10, 13, 15, 16, 17, 18, 26, 29.01 and 115. Mortgage Loans which are made in the targeted areas are subject to less stringent requirements as to purchase price limits and income limits and are not subject to the first-time homebuyer requirements.

Servicing:

All Mortgage Loans will be serviced and administered by a Master Servicer and Program Administrator to be appointed by the Issuer. The Program Administrator will provide program marketing and support.

Eligible Borrowers:

Income Limit	Purchase Price Limit*
Non-Targeted Area	
1-2 family member: \$60,300	\$247,500
3+ family members: \$69,345	
Targeted Area	
1-2 family member: \$72,360	\$302,500
3+ family members: \$84,420	

*Also subject to applicable FHA/VA limits.

Loan Options and Rates:

	Mortgage Rate	Origination and Discount Fee	Assistance Payment
Low Rate Loan	5.99%	0.00%	N/A
30-year Assisted Loan	6.55%	0.00%	4%

Acceptable

Application Fees:

The Participant may collect an up-front application fee to cover actual costs of the credit report and appraisal. In addition, the Participant shall collect from the borrower or seller a fee, payable upon assignment of the Mortgage Loan to the Master Servicer, in an amount equal to \$225 which is payable at the time of closing such Mortgage Loan. Participants may also charge reasonable and customary fees as permitted by FHA for the administration of FHA Section 203(k) rehab loans and as permitted by Fannie Mae for the administration of conventional rehab loans.

Documentation:

ANY MORTGAGE LOAN PURCHASED BY THE SERVICER FOR WHICH DOCUMENTS ARE SUBSEQUENTLY FOUND TO BE MATERIALLY DEFECTIVE MUST BE REPURCHASED BY THE PARTICIPANT ORIGINATING SUCH MORTGAGE LOAN UNLESS THE DEFECT IS PROMPTLY CORRECTED.

Exemption from Documentary and Intangible Taxes:

Under Section 159.621, Florida Statutes, the mortgage and note for Mortgage Loans are currently exempt from documentary and intangible taxes.

Each lending institution desiring to become a Participant in the Series 2007A Program is required to submit to the Issuer an executed copy of the Offer to Originate and Sell Single Family Mortgage Loans (the "Offer"), enclosed herewith as Exhibit A, indicating therein (i) the aggregate principal amount of Mortgage Loans, which such lending institution believes it can originate for the Issuer under the Series 2007A Program, and (ii) designating addresses, telephone and fax numbers for all offices from which originations will be made.

The original Offer and all other materials described above must be received by the following individuals:

RBC Capital Markets
Attn: Denise Rodriguez
100 Second Avenue South, Suite 800
St. Petersburg, FL 33701
Phone: (727) 895-8857
Fax: (727) 895-8895
denise.rodriquez@rbccm.com
(E-mail address to request copy of the Agreement only)

with a copy of the Offer to:

Jacksonville Housing Finance Authority
Attn; Kandi Begue, Manager
214 N. Hogan Street, 8th floor
Jacksonville, FL 32202

Following submission of the Offers, the Issuer and the Master Servicer will review the qualifications and experience of each lending institution and its ability to originate Mortgage Loans in accordance with the terms and conditions set forth in the Agreement. Upon completion of such review the Issuer and the Master Servicer will approve the participation of lending institutions found acceptable.

THE ISSUER RESERVES THE RIGHT TO REJECT ANY AND ALL OFFERS TO PARTICIPATE FOR ANY REASON WHATSOEVER, AND FURTHER RESERVES THE RIGHT TO WAIVE ANY INFORMALITY OR IRREGULARITY IN THE DOCUMENTS SUBMITTED BY THE LENDING INSTITUTIONS FOR CONSIDERATION BY THE ISSUER.

After the Issuer has made its determination of Participants accepted for participation in the Series 2007A Program, the Issuer shall notify via electronic mail each Participant accepted for participation in the Series 2007A Program, a notice of acceptance ("Notice of Acceptance"). The Notice of Acceptance shall specify, among other things, (i) the date on which delivery of the Series 2007A Bonds is expected or has occurred, (ii) the interest rate with respect to all Mortgage Loans to be submitted for purchase by the Servicer, and (iii) the Program Start Date and the Origination Period. Upon receipt of a Notice of Acceptance, each Participant shall execute and deliver the Agreement (if not previously executed) and the Invitation and then shall be committed to sell to the Servicer the Mortgage Loans originated by the Participant as set forth in the Notice of Acceptance. Each Participant that has not previously done so, shall deliver to the Issuer the executed Agreement in substantially the same form as the Agreement provided to Participants, with only such changes therein as do not materially adversely alter the rights, duties and obligations of the Participants, unless the Participants expressly consent thereto.

Each Participant shall deliver to the Issuer, c/o Denise Rodriguez, RBC Capital Markets, 100 Second Avenue South, Suite 800, St. Petersburg, FL 33701, within five (5) business days from the date of receipt of the Notice of Acceptance: (i) one fully executed copy of the Notice of Acceptance and Series 2007A Program Determinations and five additional executed signature pages, and (ii) unless previously submitted in connection with the 2006 Program, a certified copy of a resolution of the Board of Directors of such Participant in substantially the form enclosed herewith as Exhibit "B," or some other documentation in form and substance acceptable to the Issuer, duly certified by an officer of the Participant, and (iii) one executed copy of the Agreement in final form together with five additional executed signature pages. **PARTICULAR NOTICE SHOULD BE TAKEN OF THE REQUIREMENT IN (ii) ABOVE IF A PARTICIPANT'S BOARD OF DIRECTORS DOES NOT HOLD REGULAR MEETINGS.**

Upon receipt of the documents listed in (i) and (ii) of the next preceding paragraph, or as soon thereafter as practicable, the Issuer will return to each Participant a fully executed counterpart of the Agreement. The failure by any Participant to deliver timely the items required in (i) or (ii) above, may be considered a default by such Participant in its obligations under the Offer, and the Issuer may, in its sole discretion, refuse to accept the lending institution for participation in the Series 2007A Program.

APPLICATIONS FOR MORTGAGE LOANS ARE CURRENTLY BEING ACCEPTED AND ALL APPLICATIONS RECEIVED MUST BE PROCESSED ON A FIRST-COME, FIRST-SERVED BASIS.

Any questions with respect to the foregoing or the financing should be directed to:


Denise Rodriguez or
RBC Capital Markets
(727) 895-8857

Kandi Begue
Jacksonville Housing Finance Authority
(904) 255-8206

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE TO
INVITATION TO ORIGINATE MORTGAGE LOANS
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOMEOWNER MORTGAGE REVENUE BONDS, SERIES 2007A**

**JACKSONVILLE HOUSING
FINANCE AUTHORITY**

By: 

Wight Greger, Interim Director

**SIGNATURE PAGE TO
INVITATION TO ORIGINATE MORTGAGE LOANS
JACKSONVILLE HOUSING FINANCE AUTHORITY
HOMEOWNER MORTGAGE REVENUE BONDS, SERIES 2007A**

Accepted as Participant:

Authorized Officer (Signature)

Date: _____

EXHIBIT "A"

**JACKSONVILLE HOUSING FINANCE AUTHORITY
HOMEOWNER MORTGAGE REVENUE BONDS
SERIES 2007A**

**OFFER TO ORIGINATE AND SELL
SINGLE FAMILY MORTGAGE LOANS**

One signed original and a copy of this completed Offer to Originate (the "Offer") is to be delivered as follows :

Signed original: RBC Capital Markets
Attn: Denise Rodriguez
100 Second Avenue South, Suite 800
St. Petersburg, FL 33701

with copy to: Jacksonville Housing Finance Authority
Kandi Begue, Manager
214 N. Hogan Street, 8th Floor
Jacksonville, FL 32202

Name of Institution: _____

Address of Home Office: _____

City, State and Zip: _____

Contact Person: _____

Phone: () _____ Fax: () _____

E-Mail Address: _____

Subject to the terms and conditions stated herein, the above institution (the "Participant") hereby offers to originate, on behalf of the Issuer, FHA-insured, VA-guaranteed and USDA/RD-guaranteed mortgage loans which qualify for purchase by GNMA or Conventional Mortgage Loans which qualify for purchase by Fannie Mae or Freddie Mac (collectively, the "Mortgage Loans"), in accordance with the terms and conditions of the Master Mortgage Origination and Servicing Agreement and certain supplements thereto (collectively, the "Agreement") and the Invitation to Originate dated November 1, 2007 (the "Invitation"), copies of which have been received and reviewed by the Participant and the provisions of each of which are incorporated herein by reference and, upon acceptance hereof, are hereby agreed to by the Participant.

The following information will be printed in the Series 2007A Program brochure which will be provided to borrowers. Please be sure this information is accurate and that the Issuer is advised of any changes which occur through the Origination Period.

Contact Person (Loan Officer)	Address of Originating Branches	Phone	Fax	Email

The Participant understands that the final interest rate on the Mortgage Loans have been established and by the Issuer and Participants will be able to take applications for Mortgage Loans immediately following required lender training.

Each Participant covenants in this Offer and the Agreement that it will originate Mortgage Loans as promptly as possible after the Program Start Date and sell such Mortgage Loans to as the Master Servicer appointed by the Issuer, at the times and for the amounts specified in the Notice of Acceptance.

The Participant hereby certifies that, in connection with the transaction contemplated hereby, it has not directly or indirectly contracted or entered into any agreement with any other Participant or any other person or institution (except the Issuer or its agents) with respect to any aspect of the Participant’s participation in this financing, other than an agreement expressly authorized by the Agreement. In particular, the Participant warrants that it has not communicated or agreed with any other Participant or other Institution as to the amount of Mortgage Loans it has hereby offered to originate. The Participant hereby agrees to hold the Issuer, its agents and the original purchasers of the Series 2007A Bonds harmless from and to indemnify them against any loss, costs, liability or expense, including attorneys’ fees, if any, they incur as a result of any violation by the Participant of this paragraph.

THE PARTICIPANT AGREES THAT ALL APPLICATIONS FOR MORTGAGE LOANS WILL BE CONSIDERED WITHOUT REGARD TO THE RACE, COLOR, ANCESTRY, NATIONAL ORIGIN, RELIGION, SEX, MARITAL STATUS, FAMILY STATUS OR PHYSICAL HANDICAP OF THE APPLICANT.

This Offer shall be binding on the Participant upon acceptance by the Issuer. This Offer shall be deemed a contract between the Participant and the Issuer upon the Issuer's acceptance hereof, whether or not notice of such acceptance is communicated in writing to the Participant, it being understood that the Issuer intends to so notify the Participant within a reasonable time after the Issuer's acceptance.

The Participant understands that the Issuer's obligations with respect to this Offer are contingent upon the sale of the Issuer's Series 2007A Bonds on terms satisfactory to the Issuer.

The name and address to which Notices to the Participant regarding this Offer and related matters should be forwarded is:

Name of Participant: *(Please Type)*

Street Address: _____

City, State and Zip Code: _____

Attention: _____

Phone Number: _____

Fax Number: _____

E-mail: _____

Please provide the amount expected to be originated:

Anticipated Origination Amount

Low Rate Loan \$ _____

30-year Assisted Loan \$ _____

Total \$ _____

PLEASE ✓ CHECK ACCORDINGLY:

_____ Participant *did not* participate in the 2006 Program.

_____ Participant *did* participate in the 2006 Program.

_____ If Participant *did* participate in the 2006 Program, there are no material changes to the Participant since signing the documents of the 2006 Program. The foregoing Offer is hereby submitted to the Issuer on behalf of the Participant named herein.

By its execution hereof, the Participant hereby agrees to be bound by all of the terms and conditions of the Agreement and represents and warrants to and covenants with the Issuer that all of the representations, warranties and covenants in the Agreement, including, without limitation, are true and correct as of the date hereof and will be true and correct as of the date of the delivery of the Series 2007A Bonds unless the Participant notifies the Issuer in writing to the contrary before such delivery date.

Dated: _____, 2007

For the above Institution

By: _____

Name and Title: _____

EXHIBIT "B"

[SPECIMEN - NOT FOR EXECUTION]

**FORM OF RESOLUTION OF THE
BOARD OF DIRECTORS
OF
[INSERT NAME OF PARTICIPANT]**

RESOLVED, that **[INSERT NAME OF PARTICIPANT]** (the "Participant") hereby approves, ratifies, confirms and adopts the terms and conditions of that certain Master Mortgage Origination Agreement dated as of **October 1, 2007** among the Participant, the Jacksonville Housing Finance Authority (the "Issuer"), U.S. Bank, N.A. as Master Servicer, and Program Administrator and The Bank of New York Trust Company, N.A. as Trustee (hereinafter referred to as the "Origination Agreement").

FURTHER RESOLVED, that the Participant authorizes, ratifies and confirms the performance of the obligations, covenants and agreements of the Participant as set forth in or contemplated by the Origination Agreement.

FURTHER RESOLVED, that the [_____] and any [_____] of the Participant be, and each of them hereby is, authorized to execute and deliver on the Participant's behalf the Origination Agreement in substantially the form presented at this meeting.

FURTHER RESOLVED, that the proper officers of the Participant be, and each of them hereby is, authorized, jointly and severally, to take any and all steps, do any and all things and execute and deliver any and all documents in the name and on behalf of the Participant as may be necessary or appropriate to carry out the foregoing resolutions and to perform the obligations of the Participant, under the Origination Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

CERTIFICATE

I, [_____] of [INSERT NAME OF PARTICIPANT] (the "Participant"), certify that the above and foregoing is a true and correct copy of the resolutions passed at the meeting of the Board of Directors of Participant duly called and held on the [_____] day of [____], [____] and the same now appears in the minute books of said Participant and that the minutes reflect that a quorum was present. I further certify that as of the date hereof the foregoing resolutions are in full force and effect and have not been modified or rescinded.

(SEAL)

By: _____
Title: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by [INSERT NAME OF OFFICER], [INSERT TITLE OF OFFICER] of [INSERT NAME OF PARTICIPANT], a _____ corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.

(SEAL)

Printed/Typed Name: _____
Notary Public-State of Florida
Commission Number: _____