

INVITATION TO LENDERS TO PARTICIPATE



**CITY OF AURORA, KANE, DUPAGE, WILL & KENDALL COUNTIES, ILLINOIS
COLLATERALIZED SINGLE FAMILY MORTGAGE REVENUE BONDS**

ASSIST FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

MARCH 1, 2010

**CITY OF AURORA, KANE, DUPAGE, WILL & KENDALL COUNTIES, ILLINOIS
COLLATERALIZED SINGLE FAMILY MORTGAGE REVENUE BONDS**

ASSIST FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

INVITATION TO LENDERS TO PARTICIPATE

The City of Aurora (the “Issuer”) invites you to apply for participation in the Assist First-time Homebuyers Program (the “Program”) for single family residential housing to be financed with the proceeds of the Issuer’s Single Family Mortgage Revenue Bonds, to be issued from time to time in multiple series (collectively, the “Bonds”). The Program offers no point 30-year fixed-rate first mortgage loans plus 3.00% in forgivable down-payment and closing cost assistance for first-time homebuyers.

The Issuer will issue, sell, and deliver the Bonds or otherwise obtain funds to finance the acquisition of mortgage backed securities of the Government National Mortgage Association (“GNMA”), mortgage pass-through securities issued by the Federal National Mortgage Association (“Fannie Mae”) and/or mortgage pass-through securities issued by the Federal Home Loan Mortgage Corporation (“FHLMC”), in each case backed by certain qualified mortgage loans (the “Mortgage Loans”).

The Program is subject to the terms set forth in the Origination and Servicing Agreement (The “Agreement”), and the other Program Documents as defined in the Agreement.

Pursuant to the Agreement, Mortgage Loans will be originated by lending institutions participating in the Program (each a “Lender”). Each Lender will agree to originate Mortgage Loans there under and sell and assign all Mortgage Loans it originates and the servicing in connection therewith to the Master Servicer. Subject to the terms of the Agreement, *the Master Servicer will purchase closed Mortgage Loans from each Lender and will service all the Mortgage Loans.*

Each lending institution must be approved by the Program Administrator and the Master Servicer to participate in the Program. Following submission by lending institutions that wish to participate in the Program, such approval will be based on the review of 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.

Lenders interested in participating in the Assist Program are asked to provide an indication of their interest in participating in the program no later than March 31, 2010 by contacting the Program Administrator:

Monarch Mortgage Management LLC
220 W Huron Street
Suite 500E
Chicago, IL 60654
Phone: 312-664-5656
Contact: Assist Program Coordinator

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ASSIST FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

PROGRAM SUMMARY

<i>Program Area:</i>	Various Communities in Illinois as listed in Exhibit A.
<i>Interest Rate:</i>	The loan interest rate or rates for Mortgage Loans relating to each series of Bonds will be determined based on market conditions at the time of the related bond pricing. This will allow the loan terms to match current market interest rates.
<i>Mortgage Term:</i>	30-year, fixed-rate loans
<i>Underwriting:</i>	All loans must meet FHA, VA, RHS, FHLMC, or Fannie Mae underwriting guidelines respectively, as well as GNMA guidelines for inclusion into eligible GNMA mortgage pools, Fannie Mae guidelines for inclusion into eligible Fannie Mae mortgage pools and FHLMC guidelines for inclusion into eligible FHLMC mortgage pools. Initially, lending will be restricted to FHA, VA and RHS loans only. Fannie Mae or FHLMC eligible loans may be included at a later date, depending on market conditions.
<i>Borrower Eligibility:</i>	First-Time Homebuyer as defined in the Agreement (except in Targeted Areas), or a Qualified Veteran.
<i>Homebuyer Assistance:</i>	3.00% of the Mortgage Loan Amount, which is forgivable after three years on a declining basis as described below. This Homebuyer Assistance amount shall be secured by a second mortgage note and second mortgage in the form of a written instrument evidencing the obligation of a Mortgagor to repay the Homebuyer Assistance Amount and secured by a written instrument encumbering the Single Family Residence, both in the form approved by the Master Servicer, <i>provided</i> that the second mortgage note shall bear interest at 0% and the amount to be repaid will decrease by two percent (2%) of the original Homebuyer Assistance Amount each month commencing with the thirty-seventh month after the related Closing Date until no amount shall remain due. Payments on the second mortgage note shall be due only in the event the first Mortgage Note is repaid for any reason.
<i>Lender Fee:</i>	1.75%, payable by Master Servicer at the time the Mortgage Loan is purchased by the Master Servicer.
<i>Homebuyer Points:</i>	There will be no points payable by the homebuyer.
<i>Purchase Price Limits:</i>	All loans are subject to the purchase price limits outlined in Exhibit B, and are subject to change.

Income Limits: All loans are subject to the income limits outlined in Exhibit C, and are subject to change.

Master Servicer: Bank of America, N.A.

FICO Scores: Borrowers with FICO scores of 600 and above will be eligible for the program.

Targeted Areas: The Issuer shall reserve (i) for Commitments for Targeted Area Loans, an aggregate amount equal to twenty percent (20%) of the lendable proceeds of the Bonds or such larger amount as shall be set forth in an authorizing Supplemental Indenture (the “Targeted Area Reservation”) for Targeted Area Loans with the amount for each Series of Bonds designated in the authorizing Supplemental Indenture to be originated within twelve (12) consecutive months of the date of the issuance of such Series of the Bonds, unless there is a period of time during which Lenders may not originate Targeted Area Loans in which case such time period shall be extended, pursuant to notice given by the Master Servicer in accordance with Section 3.05(b) of the Agreement, and (ii) until GNMA Securities, FHLMC Securities or Fannie Mae Securities have been issued, which include in the applicable Pools Targeted Area Loans in an amount equal to or greater than the Targeted Area Reservation, an amount equal to the minimum Pool amount. Each Lender shall attempt with reasonable diligence to originate Targeted Area Loans in the amount of the Targeted Area Reservation to finance Targeted Area Residences, and the Issuer may take other appropriate actions to provide public notice of the availability of funds for Targeted Area Loans.

The Program’s Targeted Areas are outlined in Exhibit L of the Agreement.

Origination Period: The Origination Period for each series of Bonds will be approximately 6 months in duration from the bond pricing (mortgage rate establishment) date. During this time, Lenders will register and deliver closed loans to the Master Servicer.

Funding Limitations: Interest rates and available lending amounts will be announced by the Program Administrator from time to time. The program is first-come, first-serve and each Lender can originate loans as long as allocation remains uncommitted.

EXHIBIT A
PROGRAM AREAS*

City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois
Village of Bartonville, Peoria County, Illinois
City of Belleville, St. Clair County, Illinois
Village of Bellwood, Cook County, Illinois
City of Belvidere, Boone County, Illinois
Village of Bridgeview, Cook County, Illinois
City of Champaign, Champaign County, Illinois
City of Charleston, Coles County, Illinois
City of Collinsville, Madison and St. Clair Counties, Illinois
City of Crest Hill, Will County, Illinois
Village of Creve Coeur, Tazewell County, Illinois
City of Decatur, Macon County, Illinois
City of DeKalb, DeKalb County, Illinois
Village of Dolton, Cook County, Illinois
City of East Moline, Rock Island County, Illinois
City of East Peoria, Tazewell County, Illinois
City of Edwardsville, Madison County, Illinois
City of Elgin, Cook and Kane Counties, Illinois
City of Freeport, Stephenson County, Illinois
Village of Godfrey, Madison County, Illinois
City of Harvey, Cook County, Illinois
City of Joliet, Will County, Illinois
Village of Justice, Cook County, Illinois
City of LaSalle, LaSalle County, Illinois
City of Lockport, Will County, Illinois
City of Loves Park, Winnebago County, Illinois
Village of Machesney Park, Winnebago County, Illinois
City of Marquette Heights, Tazewell County, Illinois
City of Mattoon, Coles County, Illinois
City of Mendota, LaSalle County, Illinois
Village of Minooka, Grundy, Kendall and Will Counties, Illinois
Village of Montgomery, Kane and Kendall Counties, Illinois
City of Naperville, DuPage and Will Counties, Illinois
Village of North Pekin, Tazewell County, Illinois
Village of Park Forest, Cook and Will Counties, Illinois
City of Pekin, Tazewell and Peoria Counties, Illinois
City of Peoria, Peoria County, Illinois
Village of Peoria Heights, Peoria County, Illinois
City of Peru, LaSalle County, Illinois

**EXHIBIT A
PROGRAM AREAS***

Village of Plainfield, Will & Kendall Counties, Illinois
City of Princeton, Bureau County, Illinois
Village of Robbins, Cook County, Illinois
City of Rochelle, Ogle County, Illinois
City of Rockford, Winnebago County, Illinois
Village of Rockton, Winnebago County, Illinois
Village of Romeoville, Will County, Illinois
Village of Round Lake Beach, Lake County, Illinois
Village of Schaumburg, Cook and DuPage Counties, Illinois
Village of Shorewood, Will County, Illinois
City of South Beloit, Winnebago County, Illinois
City of Springfield, Sangamon County, Illinois
City of Urbana, Champaign County, Illinois
City of Washington, Tazewell County, Illinois
City of Wood River, Madison County, Illinois
United City of Yorkville, Kendall County, Illinois
The County of Champaign, Illinois
The County of Coles, Illinois
The County of Cook, Illinois
The County of Cumberland, Illinois
The County of DeKalb, Illinois
The County of Fulton, Illinois
The County of Kankakee, Illinois
The County of Kendall, Illinois
The County of Lake, Illinois
The County of Macon, Illinois
The County of Madison, Illinois
The County of McLean, Illinois
The County of Ogle, Illinois
The County of Peoria, Illinois
The County of Rock Island, Illinois
The County of Tazewell, Illinois
The County of Vermilion, Illinois
The County of Winnebago, Illinois
The County of Woodford, Illinois

*Preliminary; Subject to Change

EXHIBIT B
PURCHASE PRICE LIMITS

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>	<u>TARGETED AREA</u>
City of Aurora	349,024	426,585
Village of Bartonville	258,690	316,177
City of Belleville	258,690	316,177
Village of Bellwood	349,024	426,585
City of Belvidere	323,780	395,731
Village of Bridgeview	349,024	426,585
City of Champaign	258,690	316,177
The County of Champaign	258,690	316,177
City of Charleston	258,690	316,177
The County of Coles	258,690	316,177
City of Collinsville	258,690	316,177
The County of Cook	349,024	426,585
City of Crest Hill	349,024	426,585
Village of Creve Coeur	258,690	316,177
The County of Cumberland	258,690	316,177
City of Decatur	258,690	316,177
City of DeKalb	349,024	426,585
The County of DeKalb	349,024	426,585
Village of Dolton	349,024	426,585
City of East Moline	258,690	316,177
City of East Peoria	258,690	316,177
City of Edwardsville	258,690	316,177
City of Elgin	349,024	426,585
City of Freeport	258,690	316,177
The County of Fulton	258,690	316,177
Village of Godfrey	258,690	316,177
City of Harvey	349,024	426,585
City of Joliet	349,024	426,585
Village of Justice	349,024	426,585
The County of Kankakee	258,690	316,177

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>	<u>TARGETED AREA</u>
The County of Kendall	349,024	426,585
The County of Lake	349,024	426,585
City of LaSalle	258,690	316,177
City of Lockport	349,024	426,585
City of Loves Park	323,780	395,731
Village of Machesney Park	323,780	395,731
The County of Macon	258,690	316,177
The County of Madison	258,690	316,177
City of Marquette Heights	258,690	316,177
City of Mattoon	258,690	316,177
The County of McLean	258,690	316,177
City of Mendota	258,690	316,177
Village of Minooka	349,024	426,585
Village of Montgomery	349,024	426,585
City of Naperville	349,024	426,585
Village of North Pekin	258,690	316,177
The County of Ogle	258,690	316,177
Village of Park Forest	349,024	426,585
City of Pekin	258,690	316,177
The County of Peoria	258,690	316,177
City of Peoria	258,690	316,177
Village of Peoria Heights	258,690	316,177
City of Peru	258,690	316,177
Village of Plainfield	349,024	426,585
City of Princeton	258,690	316,177
Village of Robbins	349,024	426,585
City of Rochelle	258,690	316,177
The County of Rock Island	258,690	316,177
City of Rockford	323,780	395,731
Village of Rockton	323,780	395,731
Village of Romeoville	349,024	426,585
Village of Round Lake Beach	349,024	426,585
Village of Schaumburg	349,024	426,585

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>	<u>TARGETED AREA</u>
Village of Shorewood	349,024	426,585
City of South Beloit	323,780	395,731
City of Springfield	258,690	316,177
The County of Tazewell	258,690	316,177
City of Urbana	258,690	316,177
The County of Vermilion	258,690	316,177
City of Washington	258,690	316,177
The County of Winnebago	323,780	395,731
City of Wood River	258,690	316,177
The County of Woodford	258,690	316,177
United City of Yorkville	349,024	426,585

Purchase Price Limits for two-, three- and four-family residences (at least one unit of which shall be occupied by the Mortgagor) shall be equal to the then applicable limits for one-family existing residences multiplied by respective factors of 1.280, 1.547 and 1.923. The determination whether a Single Family Residence meets the applicable Purchase Price Limit shall be made as of the date on which the Commitment is made, or, if earlier, the date of purchase by the Mortgagor of the Single Family Residence.

**EXHIBIT C
INCOME LIMITS**

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>		<u>TARGETED AREA</u>	
	Family of 1-2 (\$)	Family of 3 or More (\$)	Family of 1-2 (\$)	Family of 3 or More (\$)
City of Aurora, Kane, DuPage and Will Counties	87,015	100,068	90,480	105,560
City of Aurora, Kendall County	86,500	99,475	103,800	121,100
Village of Bartonville	69,400	79,810	83,280	97,160
City of Belleville	69,400	79,810	83,280	97,160
Village of Bellwood	87,015	100,068	90,480	105,560
City of Belvidere	69,400	79,810	83,280	97,160
Village of Bridgeview	87,015	100,068	90,480	105,560
City of Champaign	69,400	79,810	83,280	97,160
The County of Champaign	69,400	79,810	83,280	97,160
City of Charleston	69,400	79,810	83,280	97,160
The County of Coles	69,400	79,810	83,280	97,160
City of Collinsville	69,400	79,810	83,280	97,160
The County of Cook	87,015	100,068	90,480	105,560
City of Crest Hill	87,015	100,068	90,480	105,560
Village of Creve Coeur	69,400	79,810	83,280	97,160
The County of Cumberland	69,400	79,810	83,280	97,160
City of Decatur	69,400	79,810	83,280	97,160
City of DeKalb	87,255	100,344	89,040	103,880
The County of DeKalb	87,255	100,344	89,040	103,880
Village of Dolton	87,015	100,068	90,480	105,560
City of East Moline	69,400	79,810	83,280	97,160
City of East Peoria	69,400	79,810	83,280	97,160
City of Edwardsville	69,400	79,810	83,280	97,160
City of Elgin	87,015	100,068	90,480	105,560
City of Freeport	69,400	79,810	83,280	97,160
The County of Fulton	69,400	79,810	83,280	97,160
Village of Godfrey	69,400	79,810	83,280	97,160

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>		<u>TARGETED AREA</u>	
	Family of 1-2 (\$)	Family of 3 or More (\$)	Family of 1-2 (\$)	Family of 3 or More (\$)
City of Harvey	87,015	100,068	90,480	105,560
City of Joliet, Will County	87,015	100,068	90,480	105,560
City of Joliet, Kendall County	86,500	99,475	103,800	121,100
Village of Justice	87,015	100,068	90,480	105,560
The County of Kankakee	69,400	79,810	83,280	97,160
The County of Kendall	86,500	99,475	103,800	121,100
The County of Lake	87,015	100,068	90,480	105,560
City of LaSalle	69,400	79,810	83,280	97,160
City of Lockport	87,015	100,068	90,480	105,560
City of Loves Park	69,400	79,810	83,280	97,160
Village of Machesney Park	69,400	79,810	83,280	97,160
The County of Macon	69,400	79,810	83,280	97,160
The County of Madison	69,400	79,810	83,280	97,160
City of Marquette Heights	69,400	79,810	83,280	97,160
City of Mattoon	69,400	79,810	83,280	97,160
The County of McLean	75,500	86,825	90,600	105,700
City of Mendota	69,400	79,810	83,280	97,160
Village of Minooka, Kendall County	86,500	99,475	103,800	121,100
Village of Minooka, Grundy County	86,835	99,861	91,560	106,820
Village of Minooka, Will County	87,015	100,068	90,480	105,560
Village of Montgomery, Kane County	87,015	100,068	90,480	105,560
Village of Montgomery, Kendall County	86,500	99,475	103,800	121,100
City of Naperville	87,015	100,068	90,480	105,560
Village of North Pekin	69,400	79,810	83,280	97,160
The County of Ogle	69,400	79,810	83,280	97,160
Village of Park Forest	87,015	100,068	90,480	105,560
City of Pekin	69,400	79,810	83,280	97,160
City of Peoria	69,400	79,810	83,280	97,160
The County of Peoria	69,400	79,810	83,280	97,160
Village of Peoria Heights	69,400	79,810	83,280	97,160

<u>MUNICIPALITY</u>	<u>NON-TARGETED AREA</u>		<u>TARGETED AREA</u>	
	Family of 1-2 (\$)	Family of 3 or More (\$)	Family of 1-2 (\$)	Family of 3 or More (\$)
City of Peru	69,400	79,810	83,280	97,160
Village of Plainfield, Kendall County	86,500	99,475	103,800	121,100
Village of Plainfield, Will County	87,015	100,068	90,480	105,560
City of Princeton	69,400	79,810	83,280	97,160
Village of Robbins	87,015	100,068	90,480	105,560
City of Rochelle	69,400	79,810	83,280	97,160
The County of Rock Island	69,400	79,810	83,280	97,160
City of Rockford	69,400	79,810	83,280	97,160
Village of Rockton	69,400	79,810	83,280	97,160
Village of Romeoville	87,015	100,068	90,480	105,560
Village of Round Lake Beach	87,015	100,068	90,480	105,560
Village of Schaumburg	87,015	100,068	90,480	105,560
Village of Shorewood	87,015	100,068	90,480	105,560
City of South Beloit	69,400	79,810	83,280	97,160
City of Springfield	69,400	79,810	83,280	97,160
The County of Tazewell	69,400	79,810	83,280	97,160
City of Urbana	69,400	79,810	83,280	97,160
The County of Vermilion	69,400	79,810	83,280	97,160
City of Washington	69,400	79,810	83,280	97,160
The County of Winnebago	69,400	79,810	83,280	97,160
City of Wood River	69,400	79,810	83,280	97,160
The County of Woodford	69,400	79,810	83,280	97,160
United City of Yorkville	86,500	99,475	103,800	121,100

The Current Annual Family Income of each of the Eligible Persons and Families obtaining a Mortgage Loan cannot exceed the Maximum Household Income Limit.