

Exhibit B

Statement of Work under NSP NOFA for Rental:

Identify residential properties that are foreclosed and available for purchase in their target area.

- Properties will be modest in design and cost
- Properties will meet standards for affordable rental housing as improved
- Properties will be in good repair or repairable in a cost effective manner, given market conditions

Obtain agreements from owners to sell at a 15% or greater discount from appraised value.

Obtain appraisal of property from a NM licensed, Certified Residential or Certified General Appraiser competent to appraise the property.

- Appraisal will be completed on an as-is basis and an as-improved basis
- An addendum will list all curable depreciation with estimated costs to cure
- A link to the HUD Appraisal Guidelines under NSP is at:
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/policyguidance/index.cfm> These requirements include a 5 year sales history of the subject. MFA will be providing a Scope of Work and related statements

Obtain or complete an Environmental Review of the property to be purchased, rehabbed and resold (this may be performed by the MFA staff pending public input).

Complete purchase agreement and purchase of the unit(s) at the contract discount from as-is value.

- Title policy showing no encumbrances other than
 - First Mortgage to MFA securing purchase and future advances for rehabilitation
 - Land Survey required
 - Approved Land Use Restriction Agreement
 - Any other approved Lien
 - current year taxes and acceptable easements
- Promissory Notes executed for purchase amount and for rehabilitation
- Property and flood Insurance (if required) will be in place at closing for the as-is value

If home/units are occupied, take action in accordance with the Uniform Relocation Act.

Engage management firm and begin to market units. Files to be maintained evidencing compliance with set-aside requirements and income eligibility of tenants.

Complete a Capital Needs Assessment.

Prepare work write-up (which will include HERS standards and sustainable materials, lead based paint requirements), bid documents, and advertise for bids, as applicable.

Perform pre-bid conference and bid opening (if applicable).

Perform pre-construction conference and execute construction contract.

Perform progress inspections and final inspection.

A detailed plan and pro forma must be provided showing operating and maintenance (O & M) expenses including replacement reserve and all management expenses.

- Cash flows in excess of net operating expenses, debt service (if any), replacement reserves, and other approved expenses will remain in reserves for the use of the project