**Section 260.404 Prepayment**

The Authority shall apply any Prepayment it receives as follows:

a) to the purchase of additional Mortgage Loans in accordance with the requirements of the Program;

b) to the purchase or redemption of Bonds, subject in each case to the requirements of the Series Resolutions relating to the issuance of its Bonds; or

c) for other corporate purposes of the Authority, to the extent permitted by the Resolution.