**Section 300.304 Prepayments**

The Authority shall apply any Prepayments it receives with respect to Mortgage Loans as follows:

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

b) in the case of Prepayments with respect to any Mortgage Loan financed in whole or in part from the proceeds of Bonds, to the extent the Prepayments are allocable to proceeds of Bonds, to the purchase or redemption of Bonds, subject in each case to the requirements of the applicable resolution or indenture of the Authority pursuant to which the funds were provided to purchase the Mortgage Loan with respect to which the Prepayment was received; or

c) for other corporate purposes of the Authority, to the extent permitted by the applicable resolution or indenture of the Authority pursuant to which the funds were provided to purchase the Mortgage Loan with respect to which the Prepayment was received.