

HOMEBANC CORP.

COMPENSATION COMMITTEE CHARTER

I. Purposes

The primary purpose of the Compensation Committee (the “Committee”) is to advise the Board of Directors (the “Board”) of HomeBanc Corp. (the “Company”) on issues related to executive compensation. Under a delegation of authority from the Board, the Committee shall be responsible for discharging the Board’s responsibilities relating to compensation of the Company’s executive officers (including the Chief Executive Officer), directors and other key employees, and producing an annual report on executive compensation for inclusion in the Company’s proxy statement for the annual meeting of shareholders or Form 10-K in compliance with the rules of the Securities and Exchange Commission (the “SEC”).

II. Composition of the Committee

The Committee shall consist of no fewer than three members, as appointed by the Board. The members of the Committee shall be, as applicable, (1) “independent,” as such term is defined by the rules and regulations of the New York Stock Exchange (the “NYSE”), (2) “non-employee directors,” as such term is defined under Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (3) “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, and shall comply with all other applicable laws, rules, regulations and requirements promulgated by any governmental or regulatory body exercising authority over the Company (collectively the “Regulatory Authorities”). The Board, in selecting the members of the Committee, shall make an affirmative determination that each member satisfies applicable independence criteria and that no member has an impermissible material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a material relationship with the Company), and otherwise meets the requirements of the NYSE, the Exchange Act and the rules and regulations of the SEC. After the initial appointment of the Committee’s Chairman and members, the Chairman and members of the Committee shall be appointed annually by the Board upon the recommendation of the Board’s Nominating and Governance Committee at the Board meeting held immediately following the annual meeting of Company’s shareholders. The Chairman shall be responsible for the leadership of the Committee, including calling meetings of the Committee, preparing the agenda for Committee meetings, presiding over Committee meetings, and reporting to the Board. Any Committee member may be removed by the Board at any time, with or without cause. Each member of the Committee shall serve until a successor has been duly elected and qualified or until such member’s earlier death, resignation or removal.

III. Committee Meetings and Reports to the Board of Directors

The Committee shall meet as often as it deems necessary or appropriate to carry out its responsibilities, but in no event shall the Committee meet less than twice each year. A majority of the Committee shall constitute a quorum for the transaction of business at any Committee meeting. At least one meeting shall be held at a time when the Committee can review and recommend annual base salary and incentive awards, as described herein, and prepare the report on executive compensation for inclusion in the Company's proxy statement or annual report on Form 10-K. Other meetings may be held at the discretion of the Chairman of the Committee or as directed by the Board. The Committee may invite to its meetings any officer or director of the Company, or any other person the Committee deems appropriate, in order to carry out its responsibilities. Minutes shall be kept of each meeting of the Committee.

The Committee shall report to the Board as requested, periodically or as required by the nature of its duties or its activities, and shall make recommendations to the Board as the Committee reasonably determines are necessary or appropriate.

IV. Authority and Responsibilities

The Committee is responsible for making decisions with respect to the Company's executive compensation policies and equity-based compensation, including salaries, wages, bonuses, stock options, other incentive awards and other benefits for executive officers of the Company and equity based compensation for other key employees of the Company. In connection with these responsibilities, the Committee, to the extent it deems necessary or appropriate, or to the extent required by applicable law or regulation or any Regulatory Authority, shall:

1. Annually review the Company's compensation strategy and assess its effectiveness in (i) encouraging the achievement of the Company's performance objectives by providing compensation that directly relates to and rewards individual contributions to the Company's operating and financial performance, (ii) attracting and retaining qualified personnel in light of competitors' practices, and (iii) supporting the Company's objectives and shareholder interests. The Committee shall make recommendations to the Board with respect to improvements to the Company's compensation policies based on such review.
2. Annually review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation (including both base salary and bonus compensation levels), evaluate the Chief Executive Officer's performance in light of those goals and objectives, and, in light of these goals and objectives and the Chief Executive Officer's performance, determine and approve, or together with the Company's other independent directors determine and approve, the Chief Executive Officer's compensation level.

3. Annually review and approve base salary and incentive bonus levels of the Company's other executive officers, after having received and considered the recommendations of the Company's Chief Executive Officer.
4. Annually establish performance goals and target awards.
5. Administer the Company's equity and other incentive-based compensation plans and the other benefit plans of the Company for which the Committee is specifically designated as the administrator after the date of this Charter, fulfilling such duties and responsibilities as are set forth in such plans.
6. Review and make recommendations to the Board with respect to the approval, amendment and termination of the Company's equity and incentive-based compensation plans, subject, where required, to approval of the Company's shareholders.
7. Review and approve stock options, stock appreciation rights ("SARs"), restricted stock units ("RSUs"), and other awards under the Company's incentive-based compensation plans (including grants in compliance with Rule 16b-3 to individuals who are subject to Section 16 of the Exchange Act), after having received the recommendations of the Company's Chief Executive Officer.
8. Annually review and recommend to the Board the appropriate level of director compensation, including additional compensation for service as a member or chair of a Board committee.
9. Review and approve any employment, change in control and severance agreements or arrangements to be entered into between the Company and the Chief Executive Officer or any other executive officer, and review all such agreements and arrangements.
10. Prepare a report on executive compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

V. Additional Authority and Responsibilities

In addition to the authority and responsibilities of the Committee enumerated in the Charter, the Committee shall take such other actions within the general scope of its responsibilities hereunder or as directed by the Board as the Committee shall deem appropriate.

The Committee shall have sole authority to engage, obtain advice and assistance from, and terminate, independent or outside legal counsel and other advisors,

compensation consultants or consulting firms used to assist in the evaluation of executives and/or the setting of compensation levels, as the Committee determines is necessary or appropriate to carry out its duties. The terms and conditions, including fees and expenses, of any such engagement shall be in the Committee's sole discretion, and the Company shall provide appropriate funding, as reasonably determined by the Committee, to pay for such advisors. The Committee may also rely on published information or any other sources it deems acceptable, in its sole discretion, in evaluating executives and/or setting compensation levels.

In carrying out its purposes and in exercising its power and authority as provided in this charter, the Committee shall have and may exercise all the powers and authority of the Board of Directors to the extent permitted under Section 14-2-825 of the Georgia Business Corporation Code. The Committee shall have the authority to delegate its duties and responsibilities to subcommittees as it deems necessary or advisable. The Committee also shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

In addition to the indemnification, exculpation, and similar provisions contained in the Company's articles of incorporation and bylaws or in statutory and common law, and in addition to applicable insurance, each member of the Committee shall, in the performance of such member's duties, be fully protected in relying on information, opinions, reports or statements prepared or presented by any of the Company's officers or employees, or committees of the Board or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence, all to the extent permitted by Section 14-2-830 of the Georgia Business Corporation Code.

VI. Annual Review and Assessment

On an annual basis, the Committee shall (i) perform an evaluation and assessment of the Committee and its performance in connection with its duties and responsibilities, and (ii) review and assess the adequacy of and re-approve this Charter. The Committee shall report the results of such evaluation to the Board and recommend any proposed changes to the Board for approval. The Committee may propose and make changes to this Charter upon the approval of a majority of the Committee's members and upon Board ratification.