



Thank you for your interest in the City of Irving Housing Development Assistance Program. Please review the application documents thoroughly.

The City of Irving Housing and Human Services Department offers a variety of programs to assist Irving residents and strengthens our community. The department's main goals are to increase home ownership opportunities, especially for low-moderate income families; preserve existing owner-occupied housing stock; increase availability of affordable housing opportunities; and support neighborhood and community-based preservation and revitalization efforts.

In October 1, 1999 the City of Irving implemented the first-time homebuyers program on behalf of low and moderate-income households. Deferred forgivable down payment and closing cost loans, in varying amounts, have been disbursed. Funding is provided through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Neighborhood Stabilization (NSP) programs received from the U.S. Department of Housing & Urban Development (HUD) and the Texas Department of Housing and Community Affairs (TDHCA).

The policies and procedures set forth herein are subject to approval and revisions, based on recommendations by the Housing and Human Services Advisory Committee and City staff members responsible for administering the program. The U. S. Department of Housing and Urban Development (HUD), Community Planning & Development Division will determine income eligibility, affordability requirements, and funding availability for grants and loans provided under the program.

Once you have completed this package, please forward the original, executed set of documents to our office. Please direct the package to:

City of Irving Housing and Human Services  
Atte: Preferred Lender Program  
825 W. Irving Blvd.  
Irving, Texas 75060

- Once we have received the original, executed Lender Application Package there will be a 72-hour processing period to determine that all necessary requirements have been met.
- The City of Irving will then notify the "Primary Contact" listed in the Lender Application by email of its determination. If approved, the email will include the information for the loan officers to attend a program orientation class.

Again, we thank you for your interest. With your help, we look forward to providing sustainable homeownership opportunities to families in the City of Irving.

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## REQUEST FOR QUALIFICATIONS (RFQ)

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### CITY OF IRVING Preferred Lenders

City of Irving Homebuyers Development Assistance Program

#### BACKGROUND AND PURPOSE

The City of Irving (CITY) is seeking agencies to submit proposals for an annual contract to provide mortgage financing options and loan counseling to potential homebuyers. The purpose of this component is to increase knowledge in the homeownership process and avoid predatory lending practices.

#### SCOPE OF SERVICES

##### A. General Information

1. The City of Irving Housing and Human Services Department administers and oversees funding.
2. Copies of this document and answers to any questions regarding the Program may be obtained from Sara P. Ramirez, Housing Development Analyst, (972) 721-4800.
3. Selected agencies will be required to pay a \$500 annual submission fee at the time the agreement to become a Preferred Lender/Loan Officer is executed and on January of every year thereafter; this fee covers costs associated with outreach and marketing efforts. If multiple locations, Lender will be asked to pay \$500 per location.
4. The CITY pre-qualifies and refers mortgage ready clients to Preferred Lenders.
5. Mortgage Brokers and Bankers will have a maximum of 30 days to get their lenders and investors to approve the CITY's lien documents. Failure to do so will result in forfeiture of the submission fee and agreement cancellation. Exhibit "A" contains sample form lien documents for your convenience.

##### B. Required Abilities

Please provide the following information and/or explain your plan to meet this requirements:

1. Ability to return phone calls and messages within 24 business hours.
2. A minimum of 5 years work experience with first time homebuyers.
3. Ability to serve Spanish speaking clients. 35-45% of our referrals prefer Spanish speaking counselors.
4. Ability to provide weekly reports for clients in your pipeline (only on clients referred and approved by the CITY).

5. Ability to act promptly when issues arrive and make sure closing dates are not changed.
6. Ability to keep all lender/investor/broker related fees at or below 3% of the loan amount.
7. Ability to provide a final approved HUD-1 five business days prior to closing.
8. Ability to make accommodations to meet with clients in a location in Irving.
9. Ability to communicate effectively with City staff to ensure program guidelines are explained correctly to clients.

C. Experience Requirements

The following experience is preferred:

1. Minimum of five years experience as a Loan Officer; preference will be given to Loan Officers who currently specialize in first-time homebuyers.
2. Minimum of three years experience originating FHA loans.

D. Proposal Format

Please format the proposal in the following manner:

- I. Information about the company including mission statement
- II. Key Individuals and Contact Information
- III. Articles of Incorporation
- IV. Certificate of Incorporation
- V. IRS Assignment of Employers Identification Number
- VI. Quality Control Plan and Notification Method on Defaulted Loans
- VII. FHA Lender Approval
- VIII. Lender Relations and Program Experience
- IX. Loan Officer's Resume and Cover Letter (Minimum of Two Loan Officers per Lending Agency)
- X. Sample GFE for FHA 30YR-Fixed (must show all lender and investor fees)
- XI. Sample Good Faith Estimate Conventional 30YR-Fixed (must show all lender and investor fees)
- XII. Loan Officers' References and Certifications
- XIII. Proof of Errors and Omissions Insurance

D. Submission Details

1. Point of Contact: All inquiries concerning the proposal process should be directed to Vicki Ebner, City of Irving Housing and Human Services, 972-721-4800. Fax: 972-972-4813.
2. Submission Deadline: All proposals must be received by the CITY no later than 5:00 p.m., December 16, 2011. Proposals received after that time will be returned without further review.

3. Form/Location of Submission: proposals should be presented to the following address:

City of Irving Housing and Human Services  
Atte: Preferred Lender Program  
825 W. Irving Blvd.  
Irving, Texas 75060

#### F. Evaluation and Selection

##### A. Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1. Experience
2. Abilities
3. Knowledge
4. Price Proposal
5. Previous Client Complaints (on recertification of current lenders)

##### B. Selection Process:

1. The CITY will review each proposal.
2. Interviews will be scheduled with selected loan officers to go over program guidelines.
3. Upon successful completion of loan officer orientation, lenders/brokers will be required to sign a contract/agreement which must be signed by the loan officers that attended the training and forwarded to the Housing and Human Services Department for recommendation and approval. Unsuccessful proposals will be notified by mail.
4. The CITY reserves the right to amend, alter or otherwise change the above described selection process or any part, provision, or condition thereof, at any time, upon fair and equitable written notice to all the affected competing firms.
5. If a loan officer decides to change jobs and he/she obtains a job with another approved lender, the CITY approval will be extended for that loan officer. If the new company is not a CITY Preferred Lender, the contract will be immediately terminated. On the same line, the same loan officer cannot be replaced by the previous lender without proper training. The program requires a minimum of two loan officers to make sure a lender is covered for the entire fiscal year in case one of the loan officers leaves the company. If both loan officers leave, the contract between both parties will be terminated without further notice.
6. Loan officers that fail to comply with program policies and/or any section of the Loan Officer Agreement (detailed in Exhibit "B") will be removed from the program without written notification.

# City of Irving Housing Development Assistance Program

## Preferred Lender/Loan Officer Application

Calendar Year 2012

Institution Name: \_\_\_\_\_

Institution Address: \_\_\_\_\_

Street Number                      Street Name                      Suite

\_\_\_\_\_

City                      State                      Zip Code

Primary Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Extension: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

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### Guidelines:

1. Financial Institution must be in the business of offering mortgage loans to low-moderate income borrowers, and must conform with all NMLS and SAFE Act requirements.
2. Financial Institutions must employ staff experienced in loan origination and loan processing, must provide a list of those loan originators and loan processors.
3. Financial Institutions must maintain Errors and Omissions insurance policy with a minimum coverage of \$300,000 per occurrence.
4. Loan Officers must execute a Loan Officer Agreement provided by the City of Irving Housing and Human Services Department.
5. Financial Institutions are required to deliver a check payable to "City of Irving" to cover the Participation Fee along with the executed Loan Officer Agreement.

Fees are used to support outreach and marketing efforts and other advertising costs. Fees are also used for booth reservations at some city-wide community events.

6. Loan Officers must attend training provided by the City of Irving with regard to procedures for using and accessing the Homebuyer Development Assistance Program (HBAP) funds on behalf of potential homebuyers.
7. Loan Officers are required to uphold the underwriting guidelines and program principles of the City of Irving Homebuyer Development Assistance Program. Any violation of these standards will result in termination of the Loan Officer Agreement and participation in the HBAP.

**CITY OF IRVING § STATE OF TEXAS  
HOME INVESTMENT PARTNERSHIP GRANT**

**HOMEBUYER ASSISTANCE PROGRAM DEFERRED LOAN AGREEMENT**

This Homebuyer Assistance Program Deferred Loan Agreement (the "Agreement") is entered into this **DATE**, between the City of Irving, Irving, Texas ("CITY") and **CLIENT NAME** ("Applicant").

Applicant has requested financial assistance from the CITY to assist in the purchase of residence in accordance with the requirements of the CITY's Homebuyer Assistance Program (the "HBAP Program"); and

Applicant, based on the information furnished to the CITY, qualifies for financial assistance under the HBAP Program.

NOW, THEREFORE, the CITY and Applicant agree as follows:

1. This Agreement is a binding agreement between the Applicant and the CITY; however, the obligations of CITY are subject to receipt of sufficient funding from the United States Department of Housing and Urban Development (HUD). If such funding is not provided by HUD, both the CITY and Applicant are relieved of any further obligation to one another and the agreement shall be null and void.

2. Applicant represents and warrants that all information furnished to the CITY in or as a part of Applicant's application for financial assistance in the HBAP Program is true and correct.

3. CITY agrees to expend **\$AMOUNT of LOAN** ("Down Payment Loan Amount") as down payment assistance for the purchase of the following described real property, (hereinafter the "Property"), to wit:

<<Enter Legal Description>>  
Also known as: Physical Address

4. Applicant agrees to execute a Subordinate Lien Contract and Deed of Trust (with power of sale) with the CITY, in a form acceptable to the CITY. Doing so is a requirement of 24 C.F.R. 92.254. Applicant agrees to fully comply with the requirements of 24 C.F.R. 92.254 and all other applicable regulations.

5. Applicant agrees to maintain the Property in compliance with all applicable laws during the term of this Agreement.

6. INDEMNITY. APPLICANT AGREES TO RELEASE, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS OFFICIALS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES FOR INJURY TO OR DEATH OF ANY PERSON, OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE CITY'S PARTICIPATION IN THIS AGREEMENT. SUCH INDEMNIFICATION SHALL APPLY WHERE THE CLAIMS, LOSSES, CAUSE OF ACTION, SUITS OR LIABILITY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF APPLICANT OR CITY, THEIR OFFICERS, OFFICIALS, AGENTS AND EMPLOYEES.

IT IS THE EXPRESS INTENT OF THE PARTIES HERETO, APPLICANT OR CITY, THAT THE INEDMNITY PROVIDED FOR IN THIS SECTION 6. INCLUDES INDEMNITY BY APPLICANT TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF CITY'S OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS ALLEGED TO BE THE SOLE OR CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE SUFFERED SOLELY BY APPLICANT.

7. PROPERTY TO BE PRINCIPAL RESIDENCE. APPLICANT AGREES THAT THE APPLICANT WILL, FOR A MINIMUM OF **FIFTEEN (15)** CONSECUTIVE YEARS FOLLOWING THEIR PURCHASE OF THE PROPERTY, CONTINUOUSLY USE THE RESIDENCE LOCATED ON THE PROPERTY AS APPLICANT'S PRINCIPAL RESIDENCE. APPLICANT AGREES THAT APPLICANT WILL, ON AN ANNUAL BASIS, EXECUTE SUCH CERTIFICATIONS AS THE CITY MAY REQUIRE TO CONFIRM APPLICANT'S COMPLIANCE WITH THE REQUIREMENT OF THIS PARAGRAPH 7.

Applicant further agrees to notify the CITY, not less than thirty (30) days prior to:

- (A) any intended sale or transfer of the Property or any intended renting or leasing of the Property;
- (B) any change which will cause the Property to cease being Applicant's principal place of residence

8. Applicant understands and agrees that the Down Payment Loan Amount being paid by the CITY pursuant to this Agreement constitute a deferred loan to Applicant. Said loan is forgivable in nature, subject to the requirements of paragraph 7. The amount of Down Payment Loan Amount shall be forgiven based on the following schedule provided Applicant remains in full compliance with paragraph 7:

- (A) First anniversary through Fifteenth anniversary of this Agreement – 6.66666% of Down Payment Loan Amount shall be forgiven each year.
- (B) No amount of the Down Payment Loan Amount shall be forgiven during any year when the Applicant fails to remain in full compliance with the requirements of this Agreement

9. Applicant understands and agrees that if: (i) Applicant sells the Property within fifteen (15) years following the beginning date used in this Agreement and such purchaser does not meet the requirements of 24 C.F.R. 92.254; or (ii) Applicant fails to continuously use the residence located on the Property as Applicant's principal residence for fifteen (15) consecutive years following the beginning date used in the Loan Documents; or (iii) Applicant fails to honor any of its other obligations to the CITY under this Agreement or the Loan Documents; collectively, "Defaults"; that Applicant, at CITY's option, is required to repay the Down Payment Loan Amount, either immediately or in monthly installments in an amount necessary to fully amortize the outstanding Down Payment Loan Amount. In the event of Default, the Down Payment Loan Amount to be repaid shall be the difference between the Down Payment Loan Amount and any amount of same forgiven pursuant to Section 8.

10. If Applicant sells the Property within fifteen (15) years of the execution of this Agreement, the remaining balance of the loan is due at the time of closing in full payment to the CITY.

11. APPLICANT REPRESENTS AND WARRANTS TO THE CITY THAT APPLICANT HAS REVIEWED THIS AGREEMENT AND ANY CORRESPONDING DOCUMENTS, UNDERSTANDS IT/THEM, AND IS EXECUTING IT/THEM FREELY AND VOLUNTARILY.

Executed and effective as of the date and year first written above.

REST OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties have hereunto set their hands by the representatives thereunto duly authorized on the date first stated above.

APPLICANT:

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Co-Applicant

**SAMPLE**

**SUBORDINATE LIEN CONTRACT  
AND  
DEED OF TRUST  
(WITH POWER OF SALE)**

THE STATE OF TEXAS §

COUNTY OF DALLAS §

THIS SUBORDINATE LIEN CONTRACT AND DEED OF TRUST (the "CONTRACT") is made and entered into on this **DAY day of MONTH, YEAR** by and between **APPLICANT NAME**, single woman, hereinafter called APPLICANT, and the City of Irving, Irving, Texas, hereinafter called the CITY, all of Dallas County, Texas.

WITNESSETH: That APPLICANT, hereby agrees to execute this document in accordance with the Homebuyer Assistance Program Deferred Loan Agreement (the "Grant Agreement") in consideration of the CITY's agreement to pay the sum of **\$AMOUNT** as ("Down Payment Loan Amount") down payment assistance for the purchase of the following described real property, (hereinafter the "Property"), to-wit:

<<Enter Legal Description>>  
Also known as: Physical Address

The CITY OF IRVING, located at 825 W. Irving Blvd., Irving, Texas 75060, hereinafter called the CITY, at the instance and request of APPLICANT, has agreed to advance and pay the above-stated consideration, in accordance with the above-referenced Grant Agreement which is incorporated herein by reference, and which agreement is in accordance with the CITY's Homebuyer Assistance Program (the "Program"). APPLICANT has executed and delivered to the CITY their Grant Agreement for the total sum of the Down Payment Loan Amount (the "INDEBTEDNESS"), as described in the Grant Agreement.

To ensure the security and prompt payment of such INDEBTEDNESS, a Subordinate Lien Contract and Deed of Trust is hereby created and granted by APPLICANT to and for the benefit of CITY, the holders of the INDEBTEDNESS evidenced by such Grant Agreement, upon the Property, and all improvements, additions, fixtures and appurtenances now thereon or hereafter to be placed thereon.

To secure and enforce the payment of the INDEBTEDNESS and liens hereinabove created, APPLICANT has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL and CONVEY unto the Vice-President of the CITY, as Trustee, the City of Irving, Irving, Texas, Dallas County, Texas, and his/her substitutes or successors in this trust, all of the Property and all improvements, additions, fixtures and appurtenances now thereon or hereafter to be placed thereon, TO HAVE AND TO HOLD the aforesaid Property and premises aforesaid, and every part thereof, unto said Trustee or his/her successors, against every person whomsoever lawfully claiming or

may claim the same or any part thereof, in trust, however, UPON THE FOLLOWING TRUSTS, TERMS AND CONDITIONS, TO-WIT:

The provisions of this Contract shall be subordinate to any first lien on the Property ("First Lien") held by an institutional lender or investor and shall not impair the rights of such lender, or investor or such lender's or investor's assignee or successor in interest, to exercise its remedies under the First Lien in the event of default under the First Lien by Applicant. Such remedies under the First Lien include the right to foreclosure, or acceptance of a deed or if the mortgage is assigned to the Secretary of Housing and Urban Development. After such foreclosure or acceptance of a deed or assignment in lieu of foreclosure, the Contract shall be forever terminated and shall have no further effect as to the Property or any transferee thereafter; provided, however, if the holder of the First Lien acquires title to the Property pursuant to a deed or assignment in lieu of foreclosure, the Contract shall automatically terminate upon such acquisition of title, so long as the lender has met and adhered to the following terms and conditions:

- a) The lender shall provide the CITY with copies of all Loan documents executed by the Borrower, as well as any co-maker, guarantor, or endorser for the Loan.
- b) The lender may not, without the prior notification to the CITY:
  - 1) amend the terms and conditions of the Loan or any document securing the Loan;
  - 2) waive or release any claim against any Borrower or any co-maker, guarantor, or endorser of the Loan;
  - 3) consent to any release, substitution, or exchange of collateral;
  - 4) accelerate payment under the Loan or any note evidencing the Loan;
  - 5) commence any collection proceeding against any Borrower or any co-maker, guarantor, or endorser of the Loan; or
  - 6) seize, sell, transfer, assign, foreclose, or attempt to exercise against any collateral securing the Loan
- c) The lender has been given written notice of a default under the First Lien; and
- d) The lender shall have not cured the default under such First Lien within the 30-day period provided in such notice to lender.

Should the INDEBTEDNESS hereby secured be either forgiven in full as described in the Grant Agreement or paid in full by APPLICANT, then this conveyance shall become null and void and of no further force and effect, and the liens hereby created shall be released by the legal owner and holder thereof.

This Contract is entered into pursuant to the requirements of 24 C.F.R. 92.254 and is subject to the requirements contained therein in addition to any and all other applicable regulations.

APPLICANT covenants and agrees as follows:

1. To pay when due all taxes and assessments now existing or hereafter levied or assessed under the laws of the State of Texas upon said Property and to keep the improvements on said Property in good repair and condition and not to permit or commit any waste thereof and to keep said buildings so as not to impair any insurance carried thereon.
2. To insure and keep insured said Property against loss or damage by flood if the Property is located in a designated Special Flood Hazards Area (SFHA) and additionally, against loss or damage by fire and windstorm, to the extent of the original amount of the INDEBTEDNESS hereby secured, in such form and with such Insurance Company as may be approved by the CITY; and to deliver to CITY the policies of such insurance having attached thereto such mortgage indemnity clause as the CITY shall direct; and to agree that any sums which may become due under any such policy, or policies, may be applied at the option of the CITY to reduce said INDEBTEDNESS, or be used by APPLICANT to repair or replace all improvements damaged or destroyed and covered by said policy, subject to the CITY approval should any portion of INDEBTEDNESS still remain.
3. In the event APPLICANT shall fail to keep the improvements on the Property hereby conveyed in good repair and condition, or to pay promptly when due all taxes and assessments, or to keep the buildings and improvements insured, or to deliver the policy or policies of insurance or the renewal thereof to the CITY, then the CITY may at its option, but without being required to do so, make such repairs, purchase any tax title thereon, or insure and keep insured the improvements thereon and any sums which may be so used and paid out by the CITY, and all sums paid for insurance premiums shall bear interest from the dates of such payments at ten percent (10%) per annum and shall be paid by APPLICANT to CITY upon demand, at the place at which the above described note is payable, and shall be deemed a part of the debt hereby secured and recoverable as such in all respects.
4. That in the event of any Default as described in the Grant Agreement, or any breach of the conveyance herein contained to be performed by APPLICANT, or any default in payment of an installment, principal or interest of the Grant Agreement hereby secured, the CITY may elect to declare the entire principal INDEBTEDNESS hereby secured, with all interest accrued hereon and all other sums hereby secured, immediately due and payable. The APPLICANT hereby expressly waives presentment and demand for payment.

In the event of default in the payment of said debt when due or declared due, and upon exhaustion of all administrative appeal remedies available to APPLICANT in accordance with the duly adopted Policies and Procedures of the CITY Homebuyer Assistance Program, it shall be thereupon or any time thereafter, the

duty of the Trustee or his/her successor or substitute as hereinafter provided at the request of the CITY, to enforce this trust, and after posting such notice for twenty-one days at the Courthouse or serving written notice by certified mail to the APPLICANT twenty-one days preceding the sale, to sell the above-described and conveyed real Property at public auction in accordance with such notices at public sale between the hours of 10:00 a.m. and 4:00 p.m. of the first Tuesday in any month. Such sale shall be to the highest bidder for cash, and the CITY or its authorized representative shall make due conveyance to the purchaser or purchasers, with general warranty binding the APPLICANT, their heirs and assigns; and of the money arising from such sale the CITY or its trustees shall first pay all expenses of advertising said sale and making the conveyance, and then to the CITY the full amount of principal, interest, attorney's fees and other charges due and unpaid on the Grant Agreement, rendering the balance of the sales price, if any, to the APPLICANT, their heirs or assigns; and the recitals in the conveyance to said purchasers shall be full and conclusive evidence of the truth of the matter therein stated, and all prerequisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the APPLICANT, their heirs and assigns.

5. It is agreed that in the event a foreclosure hereunder shall be commenced by the Trustee, or his/her substitute or successor, the CITY may at any time before the sale of said Property direct the Trustee to abandon said sale, and may then institute suit for the collection of said note, and for foreclosure of the liens herein created; and it is further agreed that if the CITY should institute suit for the collection thereof, and for a foreclosure of the liens herein created, that it may at any time before entry of final judgment in said suit dismiss the same and require the said Trustee, his/her substitute or successor, to sell the Property in accordance with the power of sale herein granted.
6. The CITY shall have the right of purchase at any sale of the Property, being the highest bidder, and to have the amount for which said Property is sold credited on the debt then owing.
7. The CITY in any event is hereby authorized to appoint a substitute Trustee, to act instead of the Trustee named herein without other formality than the designation in writing of a substitute or successor Trustee; and the authority hereby conferred shall extend to the appointment of other successor and substitute Trustees successively until the INDEBTEDNESS hereby secured has been paid in full, or until said Property is sold hereunder and each substitute and successor Trustee shall succeed to all of the rights and powers of the original Trustee named herein.
8. In the event of a sale of the Property herein described, or any portion thereof, under the terms of the power of sale herein created, APPLICANT, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the Property so sold to the purchaser at such sale, and in the event of their failure to do so they shall thereupon from and after the making of such

sale be, and continue as, the tenants at will of such purchaser, and in the event of their failure to surrender possession of said Property upon demand, the purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said Property in the Justice of the Peace Court in the Justice Precinct in which the said Property is situated.

9. In the event any portion of the INDEBTEDNESS herein described cannot be lawfully secured by the liens herein given and created upon the herein described Property, it is agreed that the first payments made on said INDEBTEDNESS shall be applied to the discharge of that portion of said INDEBTEDNESS which were not lawfully secured.
10. If this instrument is executed by one person or by a corporation, the singular reference to APPLICANT shall be held to include the plural and all of the covenants and agreements herein undertaken to be performed by and the rights conferred upon the respective APPLICANT herein named, shall be binding upon and inure to the benefit of not only said parties respectively, but also their respective heirs, executors, administrators, grantees, successors and assigns.
11. APPLICANT agrees to comply with the terms of the Grant Agreement as a condition of this Contract. APPLICANT FURTHER AGREES THAT FOR A MINIMUM OF TEN (10) or FIFTEEN (15) CONSECUTIVE YEARS FOLLOWING THE APPLICANT'S PURCHASE OF THE PROPERTY PURSUANT TO THIS CONTRACT CONTINUOUSLY USE THE RESIDENCE LOCATED ON THE PROPERTY AS APPLICANT'S PRINCIPAL RESIDENCE. APPLICANT AGREES THAT APPLICANT WILL, ON AN ANNUAL BASIS, EXECUTE SUCH CERTIFICATIONS AS CITY MAY REQUIRE TO CONFIRM APPLICANT'S COMPLIANCE WITH THE REQUIREMENT OF THIS PARAGRAPH 11.
12. If all or any part of the real property and improvements secured by this Contract, or any interest therein, is sold or transferred without the CITY'S prior written consent, excluding the creation of a lien or encumbrance subordinate to this Contract, or the creation of a purchase money security interest for household appliances, the CITY may, at the CITY's option, declare all the sums secured hereby to be immediately due and payable. The CITY may require an increase in the rate of interest payable under the Note before giving its consent.

APPLICANT HEREBY ACKNOWLEDGES THAT HE/SHE HAS RECEIVED A COPY OF THIS CONTRACT. APPLICANT, AS AFFIANT, FURTHER STATES UNDER OATH THAT UP TO AND INCLUDING THE TIME OF EXECUTION OF THIS CONTRACT, NO MATERIALS HAVE BEEN PLACED UPON THE ABOVE-DESCRIBED PROPERTY AND NO LABOR HAS BEEN PERFORMED THEREON IN CONNECTION WITH SAID CONTRACT. THIS AFFIDAVIT IS MADE FOR THE PURPOSE OF INDUCING THE CITY TO RELY ON THE FACTS HEREIN STATED AND ADVANCE FUNDS IN CONNECTION THEREWITH AND ON THE VALIDITY OF THE LIENS CREATED HEREIN.

REST OF PAGE LEFT INTENTIONALLY BLANK

**SAMPLE**

EXECUTED THIS           DAY OF          , 20      .

IMPORTANT NOTICE: YOU ARE RESPONSIBLE FOR MEETING THE TERMS AND CONDITIONS OF THIS CONTRACT. IF YOU SIGN THIS CONTRACT AND YOU FAIL TO MEET THE TERMS AND CONDITIONS OF THIS CONTRACT AND IF YOU FAIL TO TAKE ADVANTAGE OF ANY ADMINISTRATIVE APPEAL OR GRIEVANCE PROCESS MADE AVAILABLE TO YOU BY THE CITY, YOU MAY LOSE YOUR LEGAL OWNERSHIP RIGHTS TO YOUR HOME. KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.

**NOTICE TO APPLICANT:** DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU MAY HAVE THE CONTRACT EXAMINED BY YOUR ATTORNEY, AT YOUR OWN EXPENSE, IF YOU WISH. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU SIGN. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS MAY OBTAIN A PARTIAL REFUND OF ANY INTEREST DUE. KEEP THIS CONTRACT TO PROTECT YOUR LEGAL RIGHTS.

APPLICANT:

\_\_\_\_\_

CO-APPLICANT:

\_\_\_\_\_

SAMPLE

**ACKNOWLEDGMENT:**

**The State of Texas**

**County of Dallas**

Before me, the undersigned, on this day personally appeared \_\_\_\_\_  
\_\_\_\_\_ proved to me through the presentation of a valid Texas Driver's License to be the  
person whose name is subscribed to the foregoing instrument and acknowledged to me  
that he/she executed the same for the purposes and consideration therein expressed.

Seal:

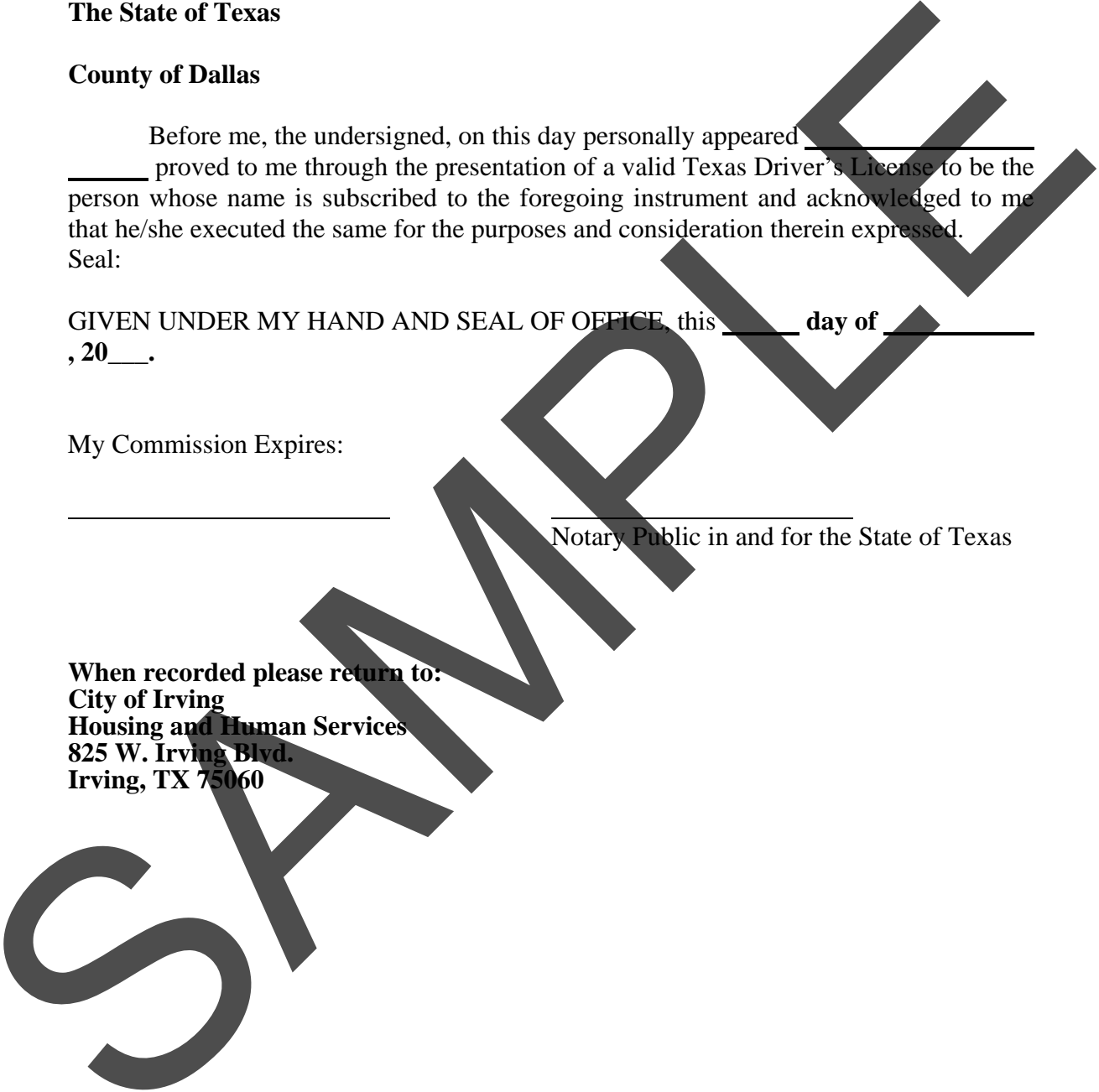
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_  
, 20\_\_\_\_.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Texas

**When recorded please return to:  
City of Irving  
Housing and Human Services  
825 W. Irving Blvd.  
Irving, TX 75060**



# ***Loan Officer Agreement***

*Completion of this agreement is mandatory to be considered for partnership.*

*(Please print with blue ink or type all information.)*

This Loan Officer Agreement (the "Loan Officer Agreement"), dated as of \_\_\_\_\_, 20\_\_, is between the City of Irving Housing and Human Services Department (the "CITY") and \_\_\_\_\_ (the "Loan Officer") in accordance with the Homebuyer Development Assistance Program pursuant to program Policies and Procedures, as amended. Nothing in this Loan Officer Agreement shall be interpreted in a manner that is in conflict with the statute and rules governing this program.

The CITY and the Loan Officer agree as follows:

## **Section I. Participation Fees:**

- a. Loan Officer agrees to a maximum lender fee of **3% of the loan amount** which includes but is not limited to: loan origination fee, broker fee, underwriting fee, processing fee, administrative fee, application fee, credit report fee, and funding fee.
- b. Loan Officer/Broker/Financial Institution has simultaneously with the execution and delivery hereof paid to City of Irving the nonrefundable sum of **\$500.00** (the "Loan Officer Fee") being the consideration for City of Irving allowing Loan Officer to participate in the Housing Development Assistance Program. In the event the Broker/Financial Institution has multiple locations which desire to participate in the Housing Development Assistance Program, the Participation Fee shall be **\$500.00 per location**, not to exceed \$2,000.00. Fee must be submitted along with this signed agreement.
- c. **The Participation Fee shall be non-refundable under any circumstance whatsoever.** The Participation Fee shall cover certified loan officer participation in the Housing Development Assistance Program during the period January 1, 2012, through December 31, 2012. In the event a Lender Affiliate requests to participate in the Housing Development Assistance Program after January 1, 2012, and City of Irving approves such participation in the City of Irving's sole and arbitrary discretion, may, but shall not be obligated to, pro-rate the amount of the Participation Fee over the remaining period of such calendar year of the Housing Development Assistance Program in such amount as City of Irving determines in its sole and arbitrary discretion. The Participation Fee shall be delivered to City of Irving as a condition precedent to Loan Officer's participation in the Housing Development Assistance Program.

## **Section II. The Loan Requirements:**

- a. Loan Officer agrees to originate mortgage loans that meet Fannie Mae and Freddie Mac underwriting guidelines for prime mortgage loans.

## **Section III. The Loan Officer Responsibilities:**

- a. Loan Officer agrees to provide a mortgage pre-approval and GFE/Estimate of Fees for every applicant referred to the CITY no later than five (5) business days from the date of the Lender's Mortgage Application.
- b. Loan Officer agrees to provide a revised GFE/Estimate of Fees to the CITY if changes are made that affect the type of loan and/or lender fees.
- c. Loan Officer agrees to provide a copy of the appraisal report and proof of insurance prior to approval of a HUD-1.
- d. Loan Officer agrees to schedule closing five (5) business days after the CITY receives the final approved HUD-1.
- e. Loan Officer understands that any changes to the HUD-1 after all parties have approved it will result in re-review of the revised HUD-1 and delay in the Second Lien Financing funding.
- f. Loan Officer agrees to provide the Privacy Policy Disclosure to every applicant referred to the CITY. Under such disclosure Loan Officer agrees that under no circumstance will provide loan related information or personal information about applicant's loan to the builder, developer, seller or any other party that has a vested interest in the applicant's loan.
- g. Loan Officer agrees that unethical conduct and unprofessional behavior will not be tolerated. In such case, Loan Officer will be removed from the loan transaction.
- h. Loan Officer understands the Homebuyer Development Assistance Program policies and guidelines and will provide counseling to clients according to the same.
- i. Loan Officer agrees to return city referral phone calls within 24 hours on business days.

**Section IV. The CITY's Responsibilities:**

- a. CITY agrees to review every GFE/Estimate of Fees received and advise Loan Officer of any concerns within 24 hours on business days.
- b. CITY agrees to review every HUD-1 the day it is received. Cut-off time is 3:00pm central time.
- c. CITY agrees to have funds delivered to the title company within five (5) business days from day the CITY and Lender approve a final HUD-1.

**Section V. Compliance; Training:**

- a. Loan Officer hereby acknowledges and agrees that Loan Officer has reviewed and understands the terms, provisions, guidelines and requirements of the Housing Development Assistance Program. Loan Officer does hereby covenant and agree to comply with each and every of the terms and provisions described and set forth in the Housing Development Assistance Program Policy.
- b. The Homebuyer Development Assistance Program Policy requirements (the "Requirements") may be modified by City of Irving by delivery to Loan Officer of written notice of such modification at least five (5) days prior to the effectiveness thereof.
- c. Loan Officer shall provide evidence satisfactory to City of Irving, as a condition precedent to Loan Officer's participation in the Housing Development Assistance Program, that the Loan Officer is authorized to originate loans on behalf of one or more Financial Institutions authorized to participate in the Housing Development Assistance Program. Loan Officer shall only originate and close loans through Financial Institutions approved by City of Irving for participation in the Housing Development Assistance Program and which have reviewed and approved the Second Lien Financing. Loan Officer covenants and agrees, as a condition precedent to Loan Officer's participation in the Housing Development Assistance Program, that one or more representatives of the Financial Institution shall attend training, from time to time, with regard to participation in the Housing Development Assistance Program as the City of Irving may, from time to time request. Failure to attend any training requested by the City of Irving by such representatives of the Financial Institution shall, at City of Irving's option, be grounds for decertification and termination of Loan Officer's participation in the Housing Development Assistance Program.
- d. Loan Officer understands that failure to comply with any one of the items listed on this agreement could result in Loan Officer's Decertification.

**Section VI. Term; Decertification:**

- a. Due to funding limitations of the Housing Development Assistance Program, the Housing Development Assistance Program shall automatically terminate upon commitment, funding and disbursement of the funds allocated to the Housing Development Assistance Program. From time to time, City of Irving shall update the remaining funds available by posting fund availability on the City of Irving's website which may be accessed at [www.cityofirving.org/Housing-Human-Services](http://www.cityofirving.org/Housing-Human-Services).
- b. In the event Loan Officer fails to comply with the Homebuyer Development Assistance Program Policy at any time or otherwise fails to comply with or violates the terms and provisions of this Agreement, including, without limitation, the Requirements, the City of Irving may deliver written notice to Loan Officer terminating Loan Officer's participation in the Housing Development Assistance Program effective as of the date specified in such notice (the "Decertification Notice"). Effective as of the date specified in the Decertification Notice, Loan Officer shall no longer be a participant in the Housing Development Assistance Program and any borrowers registered with City of Irving by Loan Officer may only have access to the Second Lien Financing if approved by the City of Irving in its sole and absolute discretion. From and after the date of decertification specified in the Decertification Notice, no additional borrower registrations will be accepted by City of Irving from Loan Officer. In the event of decertification or termination of Loan Officer's participation, the Participation Fee shall not be reimbursed. Loan Officer acknowledges and agrees that the Participation Fee shall be non-refundable under any circumstances.

**Section VII. Other Agreements; Liability:**

Loan Officer and City of Irving acknowledge and agree that each of the party and the Financial Institutions who sponsor the Loan Officer have reviewed the provisions and requirements of this Agreement and the Homebuyer Development Assistance Program Policy (attached, Exhibit "C").

**Section VIII. Notices:**

Any notice required or permitted under this Agreement shall be in writing as follows:

**If to Loan Officer:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Phone: \_\_\_\_/\_\_\_\_-\_\_\_\_\_  
Fax: \_\_\_\_/\_\_\_\_-\_\_\_\_\_  
Email: \_\_\_\_\_

**If to City of Irving:**  
City of Irving Housing and Human Services  
825 W. Irving Blvd.  
Irving, Texas 75060  
Attn: Vicki Ebner  
Phone: 972.721.4800  
Fax: 972.721.4813  
Email: [vebner@cityofirving.org](mailto:vebner@cityofirving.org)

**Section IX. Entire Agreement:**

**This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreement of the parties. There are no unwritten oral agreements between the parties.**

**Section X. Applicable Law:**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

**Section XI. Execution in Counterparts:**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Signed facsimile or emailed copies hereof shall be deemed originals for all purposes.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement, to be effective as of \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

I, \_\_\_\_\_, understand the above agreement and I/we acknowledge receipt of a copy of this agreement given and signed on this \_\_\_ day of \_\_\_\_\_, 201\_\_.

Loan Officer (Print Name and Sign)

**LOAN OFFICER:**

\_\_\_\_\_  
NMLS # \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF IRVING:**

**City of Irving Housing and Human Services  
Department**

By: \_\_\_\_\_  
Vicki Ebner  
Housing and Human Services Manager

**ACKNOWLEDGMENT:**

The State of \_\_\_\_\_

County of \_\_\_\_\_

Before me, the undersigned, on this day personally appeared \_\_\_\_\_ proved to me through the presentation of a valid Texas Driver's License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

Seal:

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_ day of \_\_\_\_\_, 201\_\_.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Texas

## **HOMEBUYER DEVELOPMENT ASSISTANCE PROGRAMS (HBDP)**

### **A. Introduction and Purpose**

The purposes of the City of Irving Homebuyer Development Assistance Programs (HBDP) are as follows: 1) to increase home ownership in neighborhoods; 2) to assist low income households with home purchases; 3) to rehabilitate existing affordable housing stock; and 4) to leverage private funds for these purposes with Federal and State grant funds (HOME, CDBG, and/or NSP). It is the goal of the Program to serve the maximum number of people with the most serious needs possible within the limited amount of funding available. Participants in the City's Homebuyer Assistance Program are as follows:

Housing and Human Services Department, City of Irving, Texas  
Housing and Human Services Advisory Committee of Irving, Texas  
Income-Eligible Applicants  
Preferred Lenders  
Participating Non-Profit/For-Profit Subrecipients or Contractors  
Other Entities Providing/Encouraging Affordable Housing Development  
Contractors

The policies and procedures set forth herein are subject to approval and revision by the City Council of the City of Irving, Texas, based on recommendations by the Housing and Human Services Advisory Committee and City staff members responsible for administering the program. The U. S. Department of Housing and Urban Development (HUD), Community Planning & Development Division will determine income eligibility and funding availability for grants and loans provided under the program.

### **B. Authority for Program / Administration of Program**

The Homebuyer Assistance Programs are funded by federal grant funds awarded to the City of Irving by the U. S. Department of Housing and Urban Development (HUD) and the Texas Department of Housing & Community Affairs (TDHCA). Homebuyer Assistance Program is an eligible activity under the HOME Investment Partnerships (HOME) grant programs. The Housing and Human Services Board (HHSB) of the City of Irving, as appointed and authorized by City Council, is responsible for funding recommendations and community relations issues. City staff of the Housing and Human Services Department is responsible for oversight and implementation of policies and procedures that have been reviewed and recommended by the HHSB and adopted by formal resolution of the City Council.

### **C. Eligible Applicants**

1. Applicant's gross annual household income may not exceed current HUD income limits for low-to mod-income households, as established and periodically revised by HUD. This is defined as households with incomes below 80% of the Area Median Income, adjusted for family sizes (24 CFR, §92.2 (9))
2. Applicants must purchase homes in Irving, Texas
3. Applicants must be U.S. Citizens or permanent legal residents
4. Applicant household assets may not exceed \$10,000. Any amount over \$5,000 will be used towards the purchase and subtracted from the City's contribution (Will be reviewed on case by case basis)

5. Applicants may not receive any gift funds towards the down-payment of a home in conjunction with the City's assistance
6. Applicants must use a City approved preferred lender
7. Applicants cannot apply for assistance after signing a sales contract
8. Verification of homeowner's insurance, paid property taxes, and homestead is required annually for the period of affordability after closing is complete
9. An applicant can not have owned real property in the past three years or can not have purchased real property as an individual with their current \*co-applicant in the past three years unless their current property is substandard and deemed uninhabitable  
\*Co-applicants are defined as spouses, live-in boyfriends, and live-in girlfriends
10. Income is calculated based on HUD-established procedures for calculating annual gross income (24 CFR, Subpart E §92.203)
11. Applicants must provide a minimum of \$1,000 investment for existing homes or \$1,500 investment toward the purchase of a newly constructed home or a home from the Rescue and Restore Program, which can be used to assist with closing costs. Minimum investment must come from the applicants own funds.
12. Each applicant must attend and complete a First Time Homebuyer Education class through a HUD approved Housing Counseling agency before assistance approval.
13. Applicants will be served on a first-come-first-served basis, with minimum mortgage pre-approval
14. Homebuyer shall sign a Grant Agreement and Deed of Trust with the City of Irving that is subordinate one to the first mortgage
15. All applicants are required to purchase a home that does not exceed the affordable mortgage amount as described under Section 7 Calculating Amount of Assistance
16. Recipients of home-buyer assistance cannot receive rehabilitation assistance
17. Applicants who are deemed ineligible may reapply for assistance 90 days after denial notification

#### **D. Applicant / Homebuyer Responsibilities & Obligations**

- Submit all eligibility information within 30 days of application submittal
- Attend Homebuyer Education classes prior to closing
- Notify the City of changes in their household income, status, locations etc...prior to closing on a home
- Making reasonable accommodation to the schedules of the City staff for the purposes of inspections
- Reviewing, executing, and understanding the grant agreement, deed of trust, and associated documents and to meet all Grant Agreement and Deed of Trust requirements
- Notify City staff of any concerns and/or questions during the application process and homebuyer education period
- All applicants must also adhere to the following policy regarding the fulfillment of their lien agreement:
  - Applicant agrees, for a minimum of the affordability period following their purchase of property, to continuously use the residence located on the property as applicant's principal residence. Applicant agrees that applicant will, on an annual basis, execute such certifications as the city may require to confirm applicant's compliance.
  - Applicant understands and agrees that if: (i) Applicant sells the Property within the affordability period and such purchaser does not meet the requirements of 24 C.F.R. 92.254; or (ii) Applicant fails to continuously use the residence located on the Property as Applicant's principal residence for the entire affordability period; or (iii) Applicant fails to honor any of its other obligations to City; collectively, "Defaults"; that Applicant, at City's option, is required to repay the Downpayment

Loan Amount, either immediately or in monthly installments in an amount necessary to fully amortize the outstanding Downpayment Loan Amount. In the event of Default, the Downpayment Loan Amount to be repaid shall be the difference between the Downpayment Loan Amount and any forgiven portion of the loan.

#### **E. Type of Assistance**

The goal of the City of Irving Homebuyer Development Assistance Program is to increase homeownership in Irving, to assist low-to-moderate income households with home purchases, to encourage investment of private funds for home ownership through the use of federal and state grant funds.

The City offers assistance for the purchase of new and existing homes. The City provides downpayment, closing cost, and buy-down assistance to eligible homebuyer assistance applicants. All assistance is provided in the form of a deferred forgivable loan with a lien in accordance with the information below:

- a) up to \$10,000 requires a 5-year lien period
- b) more than \$10,000 but less than \$15,000 requires a 10-year lien period
- c) over \$15,000 requires a 15-year period
- d) Liens are forgiven proportionately on an annual basis, unless the applicant receives direct construction subsidy in which case the full amount is forgiven at the end of the lien period.
- e) Liens must be in first or second position
- f) Subject to project delivery costs

The guidelines for existing home purchases are as follows:

- a. Assistance up to \$15,000 (Assistance is available up to \$25,000 for homes purchased through the Rescue and Restore Program and inside the NSP2 target area, refer to lien requirements on the previous section)
- b. Down Payment
- c. Closing Costs up to \$4,000 (Subject to City approval)
- d. Mortgage Buy Downs (Approved on case-by case basis)

Guidelines for new home purchases are as follows:

- a. Assistance up to \$30,000
- b. Construction Subsidy
- c. Down Payment
- d. Closing Costs up to \$5,000 (Subject to City approval and lender fees are still capped at 3% of the loan amount, see section I)
- e. Mortgage Buy Downs (Approved on case-by case basis)

#### **F. Calculating Assistance**

Assistance is determined as follows:

- A. City will calculate and provide the homebuyer with the affordable amount of monthly payment including principal and interest of a mortgage loan, property taxes, homeowner's insurance, and mortgage insurance

The amount of assistance is calculated as follows:

Gross monthly income x 30% (HUD's recommended affordability amount) = affordable monthly  
Affordable monthly payment X 100 = mortgage cap

B. Preferred Lender will provide the City with the mortgage approval amount

#### **G. Eligible Properties and Inspections**

- Properties include pre-existing single-family homes and City sponsored newly constructed homes whose purchase price does not exceed HUD's 203b mortgage limits for single-family homes as established by HUD
- Mobile homes, manufactured homes, condominiums, duplexes, quadplexes (any multiplex), and pre-sold newly constructed homes are **not** eligible under this City of Irving policy
- The property must meet the City's minimum standards inspection for "decent, safe and sanitary" as certified by an inspection conducted by the Housing and Human Services Department staff prior to closing.
- Notifications will be given at the appropriate times to the homebuyer about the prohibition of the use of lead-based paint
- All legal documents shall contain language prohibiting the use of lead-based paint
- All exposed surfaces (walls, ceilings, floors, etc.) in all homes to be potentially purchased will be inspected for the presence of previously applied lead-based paint
- If evidence of lead-based paint is found, coverage, removal or other corrective action shall be taken in accordance with HUD Regulation 24 CFR, Part 35, and will be conducted in a manner that avoids further diffusion of lead particles throughout the residence. Required inspection or testing will be conducted for all potential properties built prior to 1978. Lead based paint removal and/or coverage will be the responsibility of the seller unless otherwise authorized by the City of Irving Housing and Human Services Department
- All properties are required to have a private (TREC) inspection prior to purchase

#### **H. City of Irving Homebuyer Education**

City staff will provide applicants with a list of HUD approved Housing Counseling agencies and contact information to schedule their First Time Homebuyer Class.

- Homebuyer education classes are normally provided at no cost, must make the agency aware that applicant is going through this program for a fee waiver.
- Applicant and/or his or her co-applicant shall attend class.
- All classes shall be attended prior to assistance approval.
- Attendees shall be on time; if later than 15 minutes, another class must be attended to make up for the late/missed class

#### **I. Preferred Lenders -- Mortgage Companies, Banks, and Other Financial Institutions**

- A "Preferred Lender/Loan Officer" is defined as a mortgage lender partnering with the City of Irving to promote and support the Homebuyer Development Assistance Program, which has been selected by an applicant from a list provided by the City.
- Applicants that do not have a lender prior to application must apply for mortgage financing with one of the lenders from the City's Preferred Lenders List
- Applicants may (on a case by case basis) select a lender that is not listed as a Preferred Lender so long as lender agrees to the city's requirements detailed below on sections I –X

- Lenders/Brokers will be placed on the City's list if approved by the City (the City opens applications for new lenders in October and November of every year, refer to our web-site for more information on how to apply)

To participate as a preferred lender, the lender must meet the following criteria:

- I. Agrees to waive 10% of standard loan origination fees
- II. "Sub prime" loans will not be approved
- III. Lend to low and/or moderate-income families
- IV. Agree to participate in the marketing of city's programs
- V. Agree to pre-qualify applicants and supply the applicants and the city with a pre-qualification letter and Good Faith Estimate
- VI. Agree to schedule closing no earlier than 5 business days after receipt and approval of final HUD-1.
- VII. Agree to contact the City as soon as an applicant becomes delinquent to the extent of becoming a possible foreclosure
- VIII. FHA and/or Fannie Mae approved lenders preferred
- IX. Agrees to cap the Lender's fee at 3% of the loan amount.
- X. Provide a copy of the appraisal report as soon as this is available
- XI. Agree to behave in an ethical and professional manner at all times

#### **J. Real Estate Agents**

- Educate borrower(s) about the role of a real estate agent in a purchase transaction.
- Explain to borrower the Buyer Representation Agreement and send an executed copy to the city as soon as available
- Contact the City to learn all aspects of the Homebuyer Development Assistance Program and advise borrowers based on program guidelines only
- Behave in an ethical and professional manner at all times
- Non-Arms Length transactions are not allowed. This means everyone involved must act independently and have no relation to one another. It is assumed that with no personal interest in the relationships between parties, the transaction will be fair and equitable to all parties. This also applies to real estate agents working out of the same office.
- The agent's fee shall be capped at a maximum of 3% in all cases, including cases where the same agent and/or office represents the buyer and the seller.

#### **K. Title Companies**

- Provide final HUD-1 to the City five (5) business days prior to Closing
- Provide a copy of the title commitment which includes the legal description of the property
- File subordination agreement on behalf of the city
- Provide copies of the final deed, note, and amortization schedule to the City within 5 days after closing

#### **L. Responsibilities of City of Irving and Staff**

- Administer the program in a professional manner that ensures maximum effectiveness, efficiency and customer satisfaction
- Communicate with the applicant, title company, realtor, and lender regarding all administrative procedures that affect completion of the purchase on behalf of the applicant
- Make reasonable accommodation with both parties regarding scheduling of inspections

- Document applicant files in compliance with all applicable HUD regulations
- Review or oversee the review of applicant credit and income information to determine pre-qualification for a mortgage and eligibility of applicants to attend the classes. Provide guidance to the applicant regarding mortgage requirements
- Clarify with the applicant the advisability and eligibility of certain fees and/or charges

#### **M. Grievance Procedures**

Homebuyers or other participating parties with concerns about the administration of the Homebuyer Development Assistance Program, or about any specific incident in its administration, should communicate these concerns to the Housing Programs Coordinator. If these concerns cannot be negotiated or resolved successfully between the parties, they may present their concern to the Housing and Human Services Department Manager for further investigation and resolution. If further evaluation of the complaint is necessary, the applicant will submit in writing the nature of the complaint for further review to the Housing and Human Services Director.

#### **N. Role of Non-Profit & For-Profit Housing Organizations**

- Entities receiving funding from the City will operate according to this Policy
- Non-Profit Developers
  - Serve as CHDOs
  - Serve as Subrecipients
- For-Profit Developers serve as Contractors

#### **O. Affordable Housing Entities**

All entities promoting or encouraging affordable housing are encouraged to participate with the City Housing and Human Services Department in mutually beneficial partnerships, which will expand the availability and affordability of single family homeownership in the City of Irving. Options for partnerships (with such agencies as the Metropolitan Housing Finance Corporation, the Fannie Mae Foundation, North Lake Community College, area Housing Authorities, and any other appropriate institutions) will be reviewed by the Housing and Human Services Department for recommendation to City Council.

#### **P. Refinancing**

Clients who have received homebuyer assistance and wish to refinance their mortgage during their lien period may request that the city subordinate to the new loan. The City will review all mortgage refinancing requests on a case by case basis including all new loan documents. Approvals for requests are granted for clients seeking foreclosure prevention, lower mortgage interest rates or mortgage default. The City will not approve refinancing for the purpose of the homeowner receiving any equity from the home; such action would constitute payoff of the outstanding homebuyer loan amount. Clients will be responsible for paying all fees associated with refinancing the loan and lien documents up to \$150.00 to cover the administrative cost and filling fees incurred by the City.