

**CITY OF FRESNO
MORTGAGE ASSISTANCE PROGRAM (MAP)**

**LETTER OF PARTICIPATION
OF LENDING INSTITUTION**

This Letter of Participation, (LOP), is executed by _____ (name), a _____ (Lender/Mortgage broker) in favor of the City of Fresno, a municipal corporation (City) to memorialize Lender's participation in the City's Mortgage Assistance Program (Program), as follows:

1. Lender has received a copy of the City of Fresno Mortgage Assistance Program Guidelines document which is incorporated herein by reference.
2. The City Program operates under the California Department of Housing and Community Development (HCD) Mortgage Assistance Program (MAP), the regulations and guidelines of which are incorporated herein. The Program provides financial assistance (Loan) to eligible first-time home buyers purchasing an eligible property and utilizing a purchase money mortgage which is either FHA/HUD insured, or eligible for purchase by the Federal National Mortgage Association (FNMA) and/or the Federal Home Loan Mortgage Corporation (collectively Eligible Mortgage).
3. Lender is an FHA/HUD approved lending institution and/or lending institution qualified to provide an Eligible Mortgage. By this LOP, Lender acknowledges and agrees to participate in the City's Program under the terms and conditions contained in this LOP and in the Program requirements and Guidelines.
4. Eligible home buyers must: (1) be a first-time home buyer, defined as not having owned a home for the past three calendar years; (2) have income within the limits of the Program; and (3) purchase an Eligible Home (defined below) for owner occupancy.
5. An Eligible Home must be a single-family residence or condominium and cannot have mother-in-law set-ups, guest quarters, or any form of unit which may be used for rental purposes that is located within a qualified census tract in the Fresno City limits and not be located in a County island.

The Program provides deferred Loans to eligible home buyers for up to \$100,000 in gap financing. Gap financing is the difference between the purchase price with closing costs and the amount of the Borrower's eligible first mortgage loan and down payment if any. This Loan will be secured with a Deed of Trust that will record in second lien position, subordinate to the primary mortgage loan. The Loan terms include: Zero percent (0%) interest; no monthly payments required during a 15-year forgivable deferred payment loan period; unforgiven balances are repayable in full upon sale, transfer of title, or when the property ceases to be owner-occupied during the period of affordability.

6. Lender shall pre-qualify each eligible home buyer (also referred to herein as "Borrower") for a loan in an amount sufficient to purchase a specific home. Preliminary loan approval shall be completed prior to Lender submitting an application to City for a Loan. Lender shall also identify the amount of cash required of the Borrower for the down payment and loan closing costs.

7. Lender shall provide the Borrower with the City's Mortgage Assistance Program Owner Participation Agreement and submit the Borrower's executed document to the City with Lender's submission of complete loan application package.
8. Lender shall complete the Mortgage Assistance Program Eligibility Worksheet (Worksheet), as provided by the City, to determine:
 - a. The Borrower's eligibility for a City Program Loan.
 - b. The eligibility of the property to be purchased.
 - c. The amount of the City's Program Loan to be requested.
9. If Borrower is determined by Lender to be eligible for a Loan, the Lender's authorized signatory shall certify eligibility by signing the "Certification of Eligibility" on Page 5 of 6 in the Worksheet.
10. Lender shall submit the executed Worksheet; all required accompanying verifications, and all escrow instructions to:

**City of Fresno
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, California 93721
Attention: Shin Ae Choi
Or E-mail to
HCDD@Fresno.Gov**

Upon receipt, City will review the documents for completeness, eligibility, and signature authorization. Based on the Lender's certification of eligibility, City will prepare the necessary Loan documents and Home Loan documents, as applicable, including Deeds of Trust; Notes; Truth in Lending Disclosure Statements; and Owner Participation Agreement and forward to the Borrower's escrow company along with escrow instructions. Before funds are released to escrow, the executed City loan documents, including copies of the executed deed(s) of trust and evidence of property insurance must be returned to the City for review.

The City will review the estimated settlement statement prior to close of escrow to ensure all parties are performing in accordance with MAP guidelines.

Upon close of escrow, all original City loan documents and the final settlement statement are to be transmitted directly to the City for retention. A review of the final settlement statement will be performed. If not in compliance, a request for the funds will be issued to the escrow company with a copy to the Borrower. When the funds are returned to the City, the Borrower's loan amount will be reduced. City shall bear no costs in escrow absent City's written consent. Monitoring and accounting of City's Program and loan(s) will be the responsibility of City.

11. Either City or Lender may suspend or terminate its participation in the Program including any unfunded transaction there under by providing written notice 30 days prior to effective date of termination.
12. Lender acknowledges and agrees that should the Permanent Local Housing Act (PLHA) funding be encumbered, withdrawn or otherwise be made unavailable to the

City, whether earned by or promised to Lender or home buyer, the City shall have no obligation to fund any loan unless and until funds are made available to the City under the PLHA Program and the City receives said funds. No other funds owned or controlled by the City and/or the City's taxing power shall be obligated hereunder or under the Program.

13. To the furthest extent allowed by law, the Lender shall indemnify, hold harmless and defend the CITY and their officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages incurred by the CITY, Lender or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen out of Lender actions/omissions in pursuit of the Program. The Lender's obligations under the preceding sentence shall apply regardless of whether the CITY or any of their officers, officials, employees, agents or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or by the willful misconduct, of the CITY or any of their officers, officials, employees agents or volunteers.
14. Lender at all times shall comply with, conform to, and obey all applicable provisions of the Program and federal, state and local laws, rules and regulations. In the event of any conflict, the federal, state and local laws, rules and regulations shall control and take precedence over the Program and this LOP, and the Program shall control and take precedence over this LOP.

///

* * * * *

LENDING INSTITUTION: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

Authorized Lender/Mortgage Broker Representative:

_____	_____
Signature	Date
_____	_____
Name	Title
_____	_____
Email	Phone

Others Authorized to Certify Eligibility:

_____	_____
Signature	Print Name / Title / Telephone No.
_____	_____
Signature	Print Name / Title / Telephone No.
_____	_____
Signature	Print Name / Title / Telephone No.

Approved: City of Fresno

Planning and Development Department

Date