

CalHome Reuse Funds

City of Visalia First Time Homebuyers Program Policies and Procedures

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City of Visalia Cal Home First Time Homebuyers Program Policies and Procedures

CalHome Reuse Funds

General and Summary

In 2006, the City of Visalia was awarded through the California State Department of Housing and Community Development (HCD) funding under the CalHome Program, from the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. The Health and Safety Code section governs the CalHome Program (50650-50650.7) which states: "The purpose of the CalHome Program established by this chapter is to support existing homeownership programs targeted at lower and very-low income households and operated by private nonprofits and/or local government agencies..."

The City completing a number of down payment/gap financed second mortgage loans. Under CalHome program rules as borrowers repay their loans, the funds are to be placed into a "Reuse Account". As such, the City has CalHome Reuse funding available toward down payment/second mortgage gap financing loans.

City CalHome Reuse Program funds are allocated to assist eligible very-low, low households (up to 80% of the median income for the Tulare County (Visalia area)) in purchasing a home within the city limits. All program requirements are defined in the Title 25 California Code of Regulations Division 1, Chapter 7, Subchapter 9, commencing with Section 7715 and Federal Regulations, for the CalHome Reuse funds.

CalHome Reuse will provide the eligible participant with a 30-year term second mortgage loan to use as "gap financing" and up to 5% the sales price toward non-recurring closing costs. Payments on the second CalHome Reuse mortgage loan will be deferred for thirty years at a simple interest rate of one-percent (1%). At the end of thirty years, the home is resold or rented, any unpaid principle, interest and fees are due and payable. **The borrower is required to provide down payment funds per the first mortgage requirements with a minimum of 1.5% of the sales price to be of personal or gift funds.** (*Down payment amount lowered to 1.5% from 3% by City Council Approval February 2019*)

The homebuyers mortgage assistance loans (first and City second), when combined, must have a loan-to-value ratio not exceeding 95% of the sales price (or appraised value, if lower) plus a maximum of up to 5% of the sales price to cover actual non-recurring closing costs. **NOTE:** The State utilizes maximum purchase price limits imposed on the Home Investment Partnership (HOME) Program by the U.S. Department of Housing and Urban Development. The guidelines, under Sections 7716 & 7727, indicate that the loan to value may not exceed 100% of the sales price plus a

maximum of up to 5% of the sales price to cover actual non-recurring closing costs. **However**, the purchase price may not exceed the HOME 95% **Maximum Purchase Price/After-Rehabilitation Value Limits** as posted at <http://hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

The total amount of CalHome Reuse assistance through this program may not exceed \$60,000 including non-recurring costs such as credit report, escrow, closing, activity delivery and recording fees, title report and title insurance, title updates and or related costs. (*Maximum loan amount increased from \$38,000 by City Council Approval February, 2019*)

Additional costs up to 6% of the CalHome Loan (but no more than \$3,400) will be utilized towards the activity delivery, and homebuyer education, when applicable. Note: this again, is deducted from the CalHome Reuse Loan amount.

Through the authority granted by Health and Safety Code Sections 50406(n) and 50650.2, and in accordance with TILA-RESPA, CalHome prohibits cash transactions and oral agreements outside of escrow. Any agreements on the side between buyer and seller, buyer and real estate broker or owner and contractor are prohibited. All agreements have to be included in the purchase agreement or escrow instructions.

DEFINITIONS

Affordable – Describes a specific financial obligation which can be paid by the person or household, along with all other financial responsibilities, without endangering the financial stability of the household.

Annual Income - The CalHome program has income targeting requirements for the program, therefore, the City must determine if each household is income eligible by determining the household's annual income. ("*Household*" defined below.) The City must calculate the annual income of the household by projecting the prevailing rate of income of the household at the time the City determines that the household is income eligible. Annual income shall include income from all household members. CalHome uses California Code of Regulations Title 25, Section 6914. Eligibility is found in Section 7716 (m) See Appendix "A", includes CalHome Gross Income requirements.

Applicant/Participant - person(s) applying for the (second mortgage) first time homebuyer program loan

Back-End Ratios – calculated by adding the total monthly mortgage payment (PITI) to the homebuyer's other on-going long-term installment debt obligations such as revolving credit, installment amounts (that have more than 10 months left to pay), child support and alimony. This figure is divided by the total monthly gross income.

Borrower(s) – a homebuyer(s) who has or will receive a CalHome Reuse Program loan made from a local program funded pursuant to the regulations, signs the promissory note, and will be the homeowner of the property being financed.

Building Permit – shall mean a document issued by the City of Visalia's Building Division/Department allowing completion of specific types of construction work.

CalHome Reuse Account – An account established for CalHome funds which is separate from any other funding sources and provides a tracking system to ensure reuse of funds for appropriate activities, appropriate reporting ability including the source of the repayment, timely processing and tracking how funds are re-spent.

CalHome Reuse Funds – funds received from eligible activities including all repayments of loan principal and any loan interest accrued that have been deposited to a separately maintained CalHome Reuse Account Said funds can only be used for CalHome Program eligible activities.

City Loan Application – the application submitted by a certified lender to confirm a buyer's program eligibility and reserve funds which consists of Attachment One (all parts), Attachment 9 and Attachment 9 part one. No reservation of funds can take place until all forms are signed and submitted.

Loan Servicer – Loan Company contracted with the City of Visalia to service the second mortgage (Currently AmeriNat.)

Deed of Trust – shall mean a legal document in which title to property is transferred to a third party trustee as security for an obligation owed by the trustor (borrower) to the beneficiary (lender).

"Eligible household" means a low- or very low-income household that is: a first time homebuyer

First-time homebuyer - means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with CalHome assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent, who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse **and** has one or more minor children of whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who own or owned, as a principal residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is:
 - a) not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b) not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Front-end ratio – means the ratio between monthly household income and monthly housing cost, including first mortgage Principal, Interest, Taxes, Insurance and HOA dues. (PITI+ HOA) divided by the total monthly gross income. This figure represents the percentage of the homebuyer’s gross monthly income that will be used for mortgage payments.

Gap Financing – The “gap”, as defined by CalHome, the City will finance is “the difference between the maximum first mortgage a low-income household can pay, plus their down payment, subtracted from the cost of a modest home”. The subsidy amount will be the gap, plus non-recurring closing costs. Non-recurring closing costs may be added to the gap amount in an amount not to exceed 5% of the purchase price or appraised value, whichever is less.

Gross income – means the anticipated income of a person or family for the 12-month period following the date of determination of Gross Household Income, as defined in California Code of Regulations (CCR) Title 25, Section 6914 and attached as part of Appendix “A” and “B”

“Gross Up” – The prospective borrower has substantial non-taxable income. Special consideration is given to regular sources of income that are non-taxable. To “gross up” means the recipient needs to determine the amount of tax savings the borrower receives. Most non-taxable income is “grossed up” by 15%. When a lender takes non-taxable income, multiplies it by up to 15% (proposed tax savings) and adds that amount to the income for a new total income amount. According to HCD, non-taxable income is worth more than taxable income because the borrower does not have to pay taxes on it. Regular sources of income that are non-taxable, such as child support, disability payments, retirement payments, workers compensation benefits, social security and VA benefits which are to continue should be ‘grossed up’. (see CalHome Operating Handbook rev 4.20.2106 page 21)

Homebuyer education – means a specific course of instruction, designed pursuant to Section 7722 of CalHome Requirements, to educate first time homebuyers regarding various aspects of purchasing and maintaining a home.

Homeownership –means, for mortgage assistance: fee simple title on real property

Household –means one or more persons occupying the same housing unit

Income Limits - all participants under the City programs will have their family income documented. Income documentation will certify that they meet the definition of a low-income family as defined by the income limits published annually by HCD for the median family income (MFI). The income limits in place at the time of loan approval by the City of Visalia will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of local median income, adjusted for family size, for Visalia-Porterville-Tulare Metropolitan Statistical Area, California, County of Tulare.

Loan-to-value-ratio – means the ratio between the amount of all indebtedness liened, or to be liened, against a property and the appraised value of the property securing the liens.

Low Income – an income that does not exceed eighty percent (80%) of the area’s median family income as established by the U. S. Department of Housing and Urban Development.

“Maximum Sales Price/Value Limit” is the maximum allowable sales price of a home assisted with a CalHome Reuse Program loan. The State utilizes the maximum purchase price limits imposed on the Home Investment Partnership (HOME) Program by the U.S. Department of Housing and Urban Development. The guidelines, under Sections 7716 & 7727, indicate that the loan to value may not exceed 100% of the sales price plus a maximum of up to 5% of the sales price to cover actual non-recurring closing costs. **However**, the purchase price may not exceed the HOME 95% Limits. The State of California HOME Program Single-Family Maximum Purchase Price/After-Rehabilitation Value Limits are located at: http://hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/HOME_2018_Limits_Existing_Housing.pdf. Note that the City updates the homeownership value limits annual and acknowledges the changes by way of a memo authorized by the City Manager.

Monthly housing cost – means the average of the estimated costs for the next twelve months for a homebuyer and shall include all of the following associated with that housing unit:

- a. principal and interest on a mortgage loan including any rehabilitation loans, and any mortgage insurance fees associated therewith;
- b. property taxes and assessments;
- c. fire and casualty insurance, including flood insurance when applicable, covering replacement value of property improvements;
- d. homeowner association fees or dues, if applicable;

Mortgage – means a deed of trust which is used to secure a lien on real property.

Mortgage lender – means a bank or trust company, mortgage banker, mortgage broker, federal or state chartered savings and loan association, State or Federal governmental agency or credit union whose principal business is to originate, process, close and service loans for the purchase or development (if appropriate) of property. “Mortgage lender” also includes nationwide institutions whose primary purpose is to develop housing and provide first mortgage financing to low-income purchasers of the developed housing.

Non-taxable Income – Income on which taxes are not paid.

Primary Lender - loan company handling the first mortgage loan and assisting with the application for the second mortgage.

Program Administrator: The City may contract with a non-profit company to administer its program. Otherwise, the City will act as the Program Administrator.

“Refinance” means to pay off all or a portion of existing debt secured by the property from the proceeds of a CalHome Reuse Program loan or other financing also secured by the property.

Reuse account – means an account established pursuant to Cal Home Requirements Section 7724.

Single Parent: is an individual who is; 1) unmarried or legally separated from a spouse; and 2) has one or more minor children of whom the individual has custody or joint custody, or is pregnant.

Small Families – four (4) or fewer persons

OVERVIEW OF PROCESS

NOTE: As of February, 2019, the City of Visalia has an agreement with Self-Help Enterprises (SHE) to provide administration, marketing and underwriting of CalHome Reuse loans, including activity delivery costs not to exceed 6% of each loan (no more than \$3,400)

A bullet point view of the process is as follows:

1. Self-Help Enterprises (SHE) will work with the Participant's certified lender in completing the application and determine initial income eligibility.
2. City Staff will review the Participant's completed application to confirm income eligibility and establish a Project Number.
 - Once pre-funding approval is signed, Participant has up to 60 days to complete escrow. A request to extend the escrow may be submitted to the City with explanation/reason for the request. Only the City can approve an extension of escrow.
3. Primary Mortgage Lender will be required to submit all borrowers' primary mortgage loan underwriting and related documents to Self-Help, for review and preliminary approval. The City will provide the final review and approval of all loans provided through the program.
 - First mortgage must be a fixed rate loan for no more than a 30 year
4. Self-Help will complete review of the first mortgage documents, underwrite the City's loan as per CalHome funding requirements and provide a Final Loan Recommendation (FLR) to approve or deny the loan to City Staff within 10 working days. The FLR is completed utilizing the City's program funding criteria as identified through the CalHome Reuse Guidelines (**Attachment Eleven**) and City guidelines herein contained. City Staff will then obtain the final approval/denial by the City of Visalia's Loan Review Committee &/or the Finance Director and return the decision to SHE for completion. SHE will provide an approval letter to the lender, which outlines the loan approval conditions.
 - If problems arise on loan application packages, which need resolution or clarification, SHE will contact the City &/or the lender.
5. The City will authorize SHE to proceed with loan documentation preparation by returning a signed Final Loan Recommendation.
6. Loan documents will be executed by the applicant with local Title Company.
7. The local Title Company will be responsible for ensuring documents are properly recorded and the City is in proper lien position, according to escrow instruction
8. Loans will be serviced by AmeriNat.

EDUCATION AND CERTIFICATIONS (Required)

Homebuyer Education Class requirement

The City or its Administrator will work closely with real estate agents and primary lenders to explain the CalHome Reuse FTHB Program requirements for eligible properties and homebuyers, including Program processes.

CalHome regulations require the homebuyer to participate in homebuyer education, approved by HCD, as per CalHome regulations, Section 7722. Successful completion of Homebuyer education shall be required of all homebuyers receiving a CalHome Reuse mortgage assistance loan. The homebuyer education curriculum must be pre-approved and must be done in person. Online training is not acceptable except in rare circumstances, such as a refresher course. Lenders & Realtors cannot provide the training. A certificate of successful completion of the homebuyer education will be issued to each prospective homeowner and a copy must be submitted by the City to CalHome. **(Attachment One, part one)** The topics must include:

- a. preparing for homeownership;
- b. available financing and credit analysis;
- c. loan closing and homebuyer responsibilities;
- d. home maintenance and loan servicing

These classes are conducted by a certified Housing Counseling Agency (i.e. Self Help Enterprises, CSET). **Approved** homebuyers will need to complete the homebuyer's workshop as a step to understanding the City's program.

An interested homebuyer will complete worksheets 1 through 4 and take them to their lender with the "First Time Homebuyer, 80% of Median Certifications" form and the CalHome Program Gross Income Worksheet. The lender should assist the homebuyer in completing the Gross Income Worksheet. By completing the Certifications form, the lender will certify that the homebuyer is a "first time homebuyer" and gross household income is less than 80% of the Tulare County Median Income. **(Attachment One, part two)**

The borrower will also read and sign the "Receipt by Buyer" **(Attachment One, part three)** form which indicates that they have read and understand the program guidelines.

Lender, Realtor Certification Requirements

A realtor or lender who would like to participate in the CalHome Reuse First Time Homebuyer Loan Program must become familiar with the guidelines, complete an exam and sign a "Letter of Participation" **(Attachment Two, part one)** indicating that they acknowledge and agree to participate in the City's Program under the terms and conditions contained in the LOP and in the Program Guidelines..

The participating lender, realtor or title company personnel will receive a "Certificate of Achievement" indicating that they are certified **(Attachment Two, part two)**. A copy of Realtor and Lender certifications must be attached to the Homebuyer's application.

A list of participating realtors and lenders will be provided to interested homebuyers.

CALHOME COSTS

CalHome Eligible Costs

As per Section 7729 of the CalHome regulations, the CalHome funds in support of the mortgage assistance, shall be used only for the following costs:

1. Mortgage assistance for permanent financing of dwelling unit ready for occupancy. (Residence must pass a City of Visalia building inspection)
2. Homebuyer education included in Activity Delivery
3. One time (non-recurring) loan closing costs associated with the CalHome Reuse loan, up to 5% of the sales price or appraised value, whichever is less.
4. Loan-processing activity delivery fee not to exceed the maximum amount published in the CalHome NOFA (reimbursed in the form of a grant to City) Note: Loan processing activity delivery fees, pursuant to regulation Sections 7729(d) for homebuyer mortgage assistance loans, as reimbursement to the recipient for its activities directly associated with the making of the loan to the borrower. Fees are reimbursable only to the extent of actual costs incurred in making the individual loan not exceeding the amount normally and customarily charged in relation to similar loans by other lenders, and fees may only be paid for CalHome loans that have closed and been funded.

CalHome Ineligible Costs

CalHome Reuse funds **cannot be used** for any of the following costs that may be incurred in the program. Authority cited: Sections 50406 (n) and 50650.2, Health and Safety Code. Reference: 50650.3(b), Health and Safety Code.

1. Refinancing of existing loans, payoff of all or any portion of a borrower's consumer debt, liens or judgments with CalHome Reuse funds. This is not permitted even if required by the primary lender as a condition of loan approval, and even if paid through escrow. (*CalHome Operations Handbook*)
2. Administrative costs other than those allowed in Section 7729 per assisted household.
3. Substitution of CalHome fund commitments for other funding commitments. This restriction applies to the local public agency's or nonprofit corporation's overall homeowner activities, as well as, on a loan-by-loan basis.
4. Costs associated with rehabilitation or repair of property owned by a mobile home park owner
5. Offsite improvements
6. Unit construction costs
7. Recurring loan closing costs
8. Self-help technical assistance

DISCLOSURES

Property requirements and disclosures

All owner occupied or un-occupied properties, that are listed for sale, will be eligible for the program. To comply with requirement of the Uniform Relocations Assistance and Property Acquisition Policies Act of 1970, sellers of properties purchased with Program funds must sign the form “Acquisition/Relocation Statement”. The seller acknowledges that they understand that the property must be currently owner-occupied, vacant for four months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. Refer to Regulation 49 CFR 24.2 (1) (15) for definition of displaced person and 49 CFR 24.101 (b) (1) or (2) regarding acquisition and relocation.

This form acknowledges that the seller understands that the City is providing partial funding for the purchase of the home through the program; that it is a voluntary transaction between the seller and buyer; that the City has the power of eminent domain; however, if the sales transaction fails to be completed successfully between the seller and buyer, the City will not use the power of eminent domain to acquire the property. The form informs the owner/seller of the fair market value of the property and that, the seller is not eligible for relocation or property acquisition benefits as a result of the transaction, and hereby waives all rights to any claims for the same.

The City must receive the declaration(s)/acknowledgement(s) as a requirement for proof that a lease was not “broken” prematurely to enable the sale of the property using federal or state funds. The property, if rented, must have been vacant for 120 days or more. (**Attachments Four and Five, part one and part two**)

If the property was built before 1978, a lead –based paint disclosure must be signed by both the buyer and seller and that a Visual Assessment will be conducted to determine the presence of deteriorated paint. (**Attachments Three and Six**)

The borrower must understand the program guidelines, Deed of Trust, Note and Truth In Lending Statements as part of the Certification Workshop and participation of the program. (**Attachment One, part three**)

Conflict of Interest Requirements

Borrowers need to be aware of the following provisions regarding current or former state employees. If City has any questions on the status of any person rendering services or involved with the Agreement, the City must be contacted immediately for clarification.

In accordance with Title 25 Code of Regulations; conflict of interest applies. Each borrower must complete, sign and submit a Conflict of Interest Disclosure form. (**Attachment One, part four**)

Non-Discrimination Policy

The City and, if applicable, its Administrator support equal housing opportunity and shall not discriminate against any applicant for the CalHome Reuse First Time Homebuyers

Program on the basis of race, color, religion, disability, sex, sexual preference, marital status, ancestry, or national origin.

During the performance of this Agreement, the City and, if applicable, its Administrator shall abide by the State of California Standard Agreement (#06-CalHome-204) and extensions, amendments and new funding agreements that may be awarded and shall follow the regulations as they relate to Reuse funds and plan.

Dispute Resolution/Appeals Procedures

Any person/family applying for the first time homebuyers program has the right to appeal if their application is denied. The appeal must be made in writing to the City of Visalia, Community Development Department, Housing Division. City staff has 30 days to review the appeal, seek recommendations from the Loan Committee, if needed, and respond, in writing, to the participant.

Reuse Account

Based on 25 CCR §7724, the City is required to develop and employ a separately maintained reuse account into which all repayments of CalHome Program loan principal and any CalHome Program loan interest shall be deposited. Funds deposited in the CalHome Reuse account and any interest earned on those funds shall be used only for CalHome Program eligible activities. The funds made available for this First Time Homebuyer Program are strictly from said Reuse Account.

QUALIFYING APPLICANT(S)

Definition of an Eligible Household

To be eligible to receive the benefits of the CalHome Reuse funding, an individual household shall:

1. be lower-income household, when considering the gross income of all household residents eighteen (18) years old or older.
2. be included as borrowers on the promissory note all persons who will be or are on title of the property; and
3. be a first-time homebuyer and intend to occupy the home as a principal place of residence. See Section 7720 of CalHome requirements and regulations.

(Note: Application must include all persons, age, income and job information)

Determining Household Size

CalHome income limits are adjusted by household size. One of the first steps in determining eligibility is to determine the size of the household. Household members are not restricted to immediate family.

Some households may include persons who are not counted as family members for the purpose of income limits and whose income, if any, is not considered when calculating gross income.

Do not count the following household members when determining family size for income limits purposes: non-related live-in caretakers paid from an outside source, foster children, unborn children and children being pursued for legal custody or adoption who are currently living with the household.

A child who is subject to a shared-custody agreement, in which the child resides with the household at least 50% of the time, can be counted. Documentation should be provided for verification purposes.

Definition of an Eligible Homebuyer

First-time homebuyer – per §7716 of the CalHome Regulations, means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with CalHome assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children of whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who own or owned, as a principal residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Co-borrowers/co-owners, other than owner occupants will not be permitted. This rule is included specifically to prohibit investors from utilizing qualified persons to purchase a property for their own investment purposes and their financial gain. City of Visalia employees and family members are eligible to participate.

Dependent upon the first mortgage (i.e. FHA, CalHFA, VA, or Conventional), certain exceptions apply. The applicant must meet the first mortgage underwriting criteria (i.e. FHA, CalHFA, Conventional). The lender is required to provide proof documentation that meets the first mortgage underwriting criteria and the City or its Administrator will evaluate based upon CalHome regulations, underwriting guidelines and funding sources. In accord with the first mortgage policy, the City will not move forward until confirming eligibility, if in question, and subject to any limitation to the City's funding sources and underwriting guidelines.

Income Qualifying Criteria

The City's Underwriter will compare the annual gross income to the income the First Mortgage Lender used when qualifying the participant(s). The First Mortgages usually obtained are FHA and conventional loans, which may not calculate the income in the same way as required by the City's Program (CalHome Regulation- "Annual Income definition" and HCD Title 25, Section 6914, Gross Income Inclusions and Exclusions, **see Appendix "A" and Appendix "B"**) The household income is the annual gross income of all adult household members that is projected to be received during the next 12-month period, which will be used to determine the participant's program eligibility.

Income will be verified by reviewing and documenting tax returns, copies of wage receipts, bank statements and other verifications. All documents must be of recent dates and kept in the applicant's file and held in strict confidence.

Confirming Income of Household (Homebuyer(s)) to HCD Income regulations

To qualify under the program, the family gross income shall not exceed eighty-percent 80% of the area median income for the Tulare County Area. Identified as, "Low Income". The income is adjusted by family size. **Sample – 2018 Tulare County Median family income * As of June 1, 2018**

	<i>Number of Persons in Household</i>							
	1	2	3	4	5	6	7	8
Extremely Low Income	\$12,550	\$14,350	\$16,150	\$17,900	\$19,350	\$20,800	\$22,200	\$23,650
Very Low Income	\$20,900	\$23,900	\$26,900	\$29,850	\$32,250	\$34,650	\$37,050	\$39,450
"Low Income" 80% AMI	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050

*City will insert the limits for Tulare County Area in which the CalHome Reuse FTTHB Program is located, and will update the income limits annually as HCD provides updates. Limits can be found at <http://hcd.ca.gov/grants-funding/income-limits/index.shtml>

The applicant will be required to provide all documentation and information to the City and the City's loan underwriter. If the program is being administered, the information will be forwarded to the City with the applicant(s) file, when completed. Documentation will be kept in the Participant file and held in strict confidence.

PROPERTY ELIGIBILITY

Location and Property Characteristics

Eligible properties located within the incorporated boundaries of the City of Visalia will be considered. Properties eligible for the homebuyer program must be single-family detached housing or condominiums and must be ready to occupy. (*New construction is not allowed*). The residence must be in compliance with local zoning ordinance and building code enforcement laws. Any property located in a flood zone will be required to provide a proof of flood insurance prior to the close of escrow. Requirements for receipt

of the CalHome Reuse funds include an appraisal of the property by the financial institution providing the mortgage. First mortgage loan documents, underwriting, and escrow instructions, Preliminary Title Report, Proof of Code or Final Inspection of the home and all other required documentation listed in the loan package.

Home Selection

The home selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit, homebuyer shall provide seller with a disclosure containing the following provisions: **(See Attachment Three, Four, and Five part one and two)**

Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and

Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;

The home will be subject to inspection.

All homes built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller **(Attachments Three, Four, and Five part one and two)**;

Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;

The seller understands that the home must be either: currently owner-occupied, newly constructed, a renter purchasing the unit or vacant for **four (4) months prior to submission of the purchase offer. (Attachment Five, part two)**

If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.

The Participant has approximately sixty (60) days to complete escrow. If the transaction nears the completion time period, and needs a time extension, a letter of explanation is required and a time frame established to finalize.

Condition of Property/Building Compliance Inspection

Eligible properties must not have any code-related deficiencies pending prior to the close of escrow. **A Building Inspection is mandatory.** Any property that requires repairs will be re-inspected prior to the commitment of any program funds and before the close of escrow to ensure that all repairs have been completed. Program funds will not be utilized to assist a household if doing so will create overcrowding conditions (see section 3.02 (c)). A copy of the code inspection card must be placed into the participant file. A sample inspection card is attached as: **Attachment Nine, part four.** An application form can be located on the City Website at: www.visalia.city under Community Development – *Forms and Applications*. The form name is: Residential

Building Permit. For the cost of the building inspection a copy of the Development Fee Schedule can be located on the City's website as well.

An "Agency Authorization" form must be completed and signed by the seller. The seller must consent to a first time homebuyer code compliance inspection on behalf of the buyer. The document is at the City's front counter.

Properties annexed into City Limits with Septic Tanks

County island properties are not eligible. Upon completion of annexed properties into the city limits, the property would become potentially eligible. If the property has a septic tank, and the septic tank fails to the point repair is necessary, the property owner will need to address the issue with the City Building Division. Note: Repair means actual repair, pumping the tank is considered maintenance.

Overcrowding

The home size must be sufficient to meet the needs of the participants' household, without overcrowding. (*Generally, not more than two persons, per bedroom or living room.*)

Flood Insurance Requirements

If the property is located within the 100-year floodplain designated by the currently published Federal Emergency Management Agency flood plain maps, flood insurance must be maintained for the term of the loan. A copy of the flood insurance policy will be provided to the City for compliance. Additionally, a copy must be submitted to the financial lending company. (24CFR 55) The City will not close escrow until verification and documentation is received.

Lead Hazard Inspection and Correction

(Pre 1978 homes) Visual assessment must be performed; Paint stabilization must be completed (if applicable) and Safe work practices and clearance (verification from certified lead based paint inspector indicating conducted, assessed, abated, if applicable)

Residential property constructed prior to 1978 may have lead based paint. If property is eligible for the program and was built prior to 1978, then the buyer will receive and sign a notice of lead based paint disclosure. All applicable State and Federal Regulations concerning lead based paint must be adhered to. A certified lead based paint inspector must be used to evaluate the property and ensure that all federal lead based paint procedures, including any abatement, are followed.

Proper Lead Notification

Upon approval of a qualified applicant(s), necessary disclosures must be given to inform the applicant(s) of certain requirements. The applicant(s) must have read and signed all program disclosure forms. Any and all property disclosures must be reviewed and signed by City Staff to confirm that the participants understand and have signed all forms. Prior to a potential homebuyers obligation to purchase a pre-1978 home, the

buyer will be given a copy of and asked to read the EPA pamphlet “Protect Your Family From Lead in Your Home”. (EPA 747-K-12-001, Sept 2013). A signed receipt of the pamphlet will be kept in the participant file. A notice to residents is required following a risk assessment/inspection using form DHS 8552 provided by the certified inspector; a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction From, LBP-1 (State of California HCD) Attached are samples of the required forms to be signed by the seller, buyer and agent. **(Attachment Three, Four, and Five part one and part two; Attachment Six, if property is pre-1978)**

Property Lead Disclosures

Prior to the participants obligation to purchase a pre-1978 home, the HUD disclosure **(Attachment “Three”)**, “Seller’s Lead-based Paint Disclosure” notice must be provided, read and signed by the Seller, Purchaser and their Agents. This form must be provided to the City as a part of the application approval, maintenance of files and funding requirements.

Proper Lead Inspections

For homes that were built pre-1978, the Certified Inspector shall conduct a “Visual Assessment” of all the dwelling unit’s painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.

Lead Mitigation

If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. The City will not complete the loan until documentation is provided. Funding may be reserved for only a certain period of time, referenced throughout the guidelines. Prior to the contractor starting mitigation work, the City shall be provided with copies of the contractor’s and workers’ appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

Lead Purchase Contract Contingency Language Document

To purchase a pre-1978 housing unit, the seller shall permit the homebuyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. (See **attached** sample lead-based paint contract contingency language).

- Sellers Lead Based Paint Disclosure, disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards, Lead Warning Statement **(Attachment Three, to be signed by both buyer, seller and their agents)**
- Homebuyer Lead Based Paint Contract Contingency Language Acknowledgement **(Attachment Four, to be signed by both buyer and seller);**

- Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Declaration (**Attachment Five, part one: to be signed by borrower and their agent**);
- Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Acknowledgement (**Attachment Five, Part two: to be signed by the Seller**)
- Lead Based Paint Visual Assessment, Notice of Presumption, and hazard Reduction Form (**Attachment Six: to be completed if property built prior to 1978**)

PROPERTY MAXIMUM PURCHASE PRICE ELIGIBILITY

Appraisals

Prior to close of escrow, an appraisal must be obtained which meets the following CalHome requirements:

1. the appraisal shall be prepared by a State-licensed, residential property appraiser;
2. the appraisal shall use the sales of comparable properties approach to determine value; and
3. the maximum appraised home values at time of purchase shall not exceed the appraised value limit.

Maximum Purchase Price Requirements

The City and State impose a statutory limitation on the value of assisted properties. The State utilizes the maximum purchase price limits imposed on the Home Investment Partnership (HOME) Program by the U.S. Department of Housing and Urban Development. The guidelines, under Sections 7716 & 7727, indicate that the loan to value may not exceed 100% of the sales price plus a maximum of up to 5% of the sales price to cover actual non-recurring closing costs. However, the purchase price may not exceed the HOME 95% Limits. The State of California HOME Program Single-Family Maximum Purchase Price/After-Rehabilitation Value Limits are located at: http://hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/HOME_2018_Limits_Existing_Housing.pdf

Loan to Value Ratio

The loan-to-value ratio for a CalHome Reuse FTHB Program loan, when combined with all other indebtedness to be secured by the property, may not exceed 100 percent of the sales price plus up to 5% of purchase price or appraised value, whichever is less, for actual non-recurring closing costs.

FIRST MORTGAGE LOAN REQUIREMENTS

The First Mortgage

All eligible participants must be pre-approved for a first mortgage through a "certified" primary lender and document need for the City's financial assistance to become homeowners. The first mortgage is a critical element in that contemporary financing

maximizes the borrower's purchasing power. When using CalHome Reuse funds, only "fixed rate" FHA or Conventional mortgages are authorized. The use of CHAFA/CALHFA loans has not been approved.

The City requires that the first mortgage be a fixed rate, fixed term, not to exceed thirty (30) years.

A requirement for the use of CalHome Reuse funds, the first mortgage lender mortgage shall not include provisions for principal increases, negative amortization, deferred interest, and balloon payments. Refer to CalHome requirements, Section 7731.

The First mortgage must include (principle, interest, insurance and taxes) and must be at least 30% of buyer's gross income.

The certified primary lender will provide the necessary documents to show that the residence to be purchased is affordable and that the family has used all their income resources to meet the requirements of the primary lenders and City's underwriting criteria.

Qualifying Ratios

The First Mortgage Underwriter (FHA or Conventional Lender) will establish creditworthiness, first mortgage repayment ability, and dependability of income.

The primary lender will analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards home purchase. Documentation must be provided to the City to complete a Feasibility Analysis spreadsheet, which will assist in determining the level of assistance for the CalHome Reuse second mortgage. The lender will also assist the participant in completing the income eligibility forms **(Attachment 1, all parts, and Attachments Nine and Nine, part one)**

FHA approved debt ratios are utilized with the City's program. The front-end ratio shall be no less than 30%, no more than 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of PITI (loan principal and interest payment + property taxes + property insurance).

The back end ratio shall be no more than 45%, which is the percentage of the borrower's gross monthly income that would cover the cost of PITI plus any other monthly debt payments like car or personal loans and credit card debt.

Down Payment Requirements

Participants will be required to have sufficient liquid assets to be able to provide a minimum down payment as required by the first mortgage lender. The down payment must be no less than one and a half-percent (1.5%) of the sales price related to the first mortgage requirements and may be personal funds, or any FHA or first mortgage approved gift.

Credit and the underwriter

Upon receipt of a complete loan application package from the certified primary lender, the City's loan underwriter will review the application package and credit report, the underwriter will provide the City with an "FLR".

The Uniform Residential Loan Application (sometimes referred to as the 1003) is the industry standard. The application requires sufficient information concerning a borrower's ability and willingness to repay the mortgage debt. The application should be compared to the credit report and the various verifications, as they are received, to backup what the borrower has stated on the application. If there are discrepancies between the documents, the Underwriter must determine what is factual and have the borrower explain the discrepancies.

Underwriter/Administrator will utilize this information to complete the "FLR" to provide the City with an approval to proceed or instruction to cancel the loan process.

The City utilizes a guideline of no more than three (3) derogatory accounts in the past three (3) years, no bankruptcies within the past two (2) years and no established credit is acceptable if the borrower has proof of timely payments of utilities, rents or other fixed monthly obligations. With derogatory accounts, the date working from is the "open" date. In some cases, the underwriter will work with the first mortgage underwriter criteria as it pertains to derogatory accounts. Any negative credit items must be explained and justified and placed on file. Derogatory accounts **MUST BE PAID IN FULL AS PER CALHOME REQUIREMENTS**. And if more than three derogatory accounts in the past three years are identified, then an explanation should be noted on file.

Impound Account

The City requires that the participant have an impound account for the payment of taxes and insurance, to ensure they remain current. This must be a requirement of the first mortgage loan.

City Application for CalHome Reuse Second Mortgage Loans

The City will process applications on a first-come, first-served basis. A City of Visalia "CalHome Reuse First Time Homebuyer Program" Application must be completed by the borrower with the assistance of their first mortgage lender. The application is submitted to the City or its Administrator for preliminary review of qualifications.

If the borrower/applicant has a preliminary screening with the Lender and meets the income guidelines, maximum purchase price guidelines and the property is within the City of Visalia limits, the Lender contacts the City or its Administrator for a "CalHome Reuse First Time Homebuyers Program" application. (Funds have not been "Reserved" until review of application, verification of availability of funding and preliminary conditional reservation of funding approval from City).

Application preliminary review consists of 1) income qualification (based on the number of family/household members); 2) the purchase price of the home is within the program

requirements; 3) CalHome allocation, based upon worksheet calculations; and 4) pre-approval of a first mortgage. No funds are deemed “reserved” until the City authorizes a Project Number.

Applications are only deemed complete if all information is completed, the application is signed and dated, and a primary lender’s pre-qualification letter is attached to the application. When an applicant is pre-qualified for the City loan, they will have a maximum of 60-days to complete a transaction. **The purchase and sale agreement will be contingent on the household and home meeting Program eligibility requirements and receiving Program loan approval.**

Upon reservation of funding, the City or its Administrator will work with the first mortgage lender to obtain all documentation required to participate, including the City application. A Condition List and Pre-Qualification Loan Commitment will be sent to the lender outlining the items required for underwriting and providing a list of additional conditions to be reviewed by Self Help Enterprises. **(Attachment Nine, part three)**.

The Lender will be required to submit a full first mortgage application, with all documents necessary to create a loan underwriting application package upon receiving notification that a “reservation of funds” has been granted. The first mortgage lender shall, with the acknowledgement of the City, courier or overnight deliver the documents to Underwriter, with a copy being delivered concurrently to the City.

Participation in the program requires additional steps, inspections and other related federal funding regulations as indicated in the following policies and procedures.

The City’s Underwriter, through the application and documentation, indicates within the “FLR”, the Applicant’s eligibility. The City provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program’s appeal procedures. The City’s underwriting criteria is identified within the “City of Visalia CalHome Reuse FTHB Program Underwriting Guidelines” as **Attachment Eleven**.

At the closing of the loan, all documentation, along with full application and closing documents, must be sent to the City for monitoring purposes and internal funding completion.

City Mortgage Loans Terms (CalHome Reuse 2nd)

Maximum City Loans

The amount of the loan (second mortgage of CalHome Reuse funds) shall be the minimum amount necessary to enable the Buyer to purchase the home AFTER the Buyer secures the maximum loan (first mortgage) amount for which the Buyer qualifies from the primary lender. The City’s loan shall be in the form of a second trust deed secured by a Note and Deed of Trust, subordinate to the primary loan (first mortgage). The maximum subsidized **CalHome Reuse funded loan amount** as a second mortgage, available to eligible homebuyers is **\$60,000, less activity delivery costs.** The City’s loan shall hold second position and any additional loans shall be subordinate to the City’s loan. The lien securing repayment of the CalHome Program loan shall be

subject only to liens, encumbrances and other matters of record reviewed and approved by the City. The CalHome Reuse loan shall have the following terms and conditions:

Rate of Interest

The interest for the deferred loan will accrue at one-percent (1%), simple interest per annum, for the life of the loan. *(Interest rate lowered to 1% from 3% by City Council Approval February, 2019)*

Term of Loans

The term for CalHome Reuse first-time homebuyer mortgage assistance program loans shall be thirty (30) years. Principal and interest payments shall be deferred for the term of 30 years. Borrowers may begin making voluntary monthly payments at any time to AmeriNat. Loans are not assumable.

City Loan Processing, Underwriting and Approval

Loan Package

A complete loan package is produced containing the first and second mortgage documents. The package will: detail participant income eligibility and repayment ability; document the total amount of the CalHome Reuse loan and the total amount of the first mortgage; provide an itemized list of loan costs; include final City of Visalia building inspection sign off; and any other information particular to the case.

The Lender will complete funding commitment and forward files to Underwriter/Administrator, concurrently providing copies to the City. The City requires additional documentation to participate in its program. (The required documents are listed within the City of Visalia Loan Program Guidelines, identified under "Loan Package".)

Underwriting and Approving City Loan

City's Underwriter and Appraisal Review

The City's underwriter shall review the primary lenders' underwriting/first mortgage documentation to verify that the homebuyer meets the City's funding and program requirements.

Underwriter will also confirm, from the Appraisal, the following:

1. The appraisal must have been prepared by a State-licensed, residential property appraiser;
2. the appraisal must use the sales of comparable properties approach to determine the value; and
3. maximum appraised home values at time of purchase must not exceed the appraised value limit established for the area.

If questions arise during the review process, Underwriter will contact both the Lender and the City. Underwriter has ten (10) days to process and complete the recommendation. The clock will be stopped if questions arise and need verification, answers or documentation.

Underwriter will complete and provide the City with a Final Loan Recommendation (FLR) for each complete loan application submitted. It is understood that the analysis will be based upon criteria established by both CalHome regulations, and the City of Visalia. The City utilizes guidelines established by HCD based upon the funding sources.

If Underwriter makes note of any special circumstances, noteworthy concerns or recommendations, the loan analysis, file and “FLR” will be reviewed by the City’s Housing Loan and Change Order Review Committee.

The City’s underwriter will complete a Feasibility Analysis spreadsheet to assist in determining the level of assistance. The City will review the primary lender’s desirable income to debt payment ratios as a guide; however, the City will observe its standard requirement of a front end ratio between 30% - 35% and back end ratio no greater than 45%) in the eligibility analysis. (See **Worksheet 5**)

City Review

The City reviews the participant application and provides the authorization of “reservation” of funding (**Attachment Nine, part Two: Subrecipient Project Number Request Form**). At this point, the City will request a Project (R) Number for the transaction.

The City will review the “FLR” provided by Underwriter/Administrator for confirmation of eligibility. Verification of any lead based paint issues, insurance (homeowners and flood), and proof of building inspection are to be submitted concurrently with the “FLR”, if not already submitted to Administrator, in order to make a final recommendation. (See **Attachment Eight: general standard inspection; Attachment Nine, part four: sample inspection card**)

The City reviews the “FLR” and approves or denies the application and the City’s authorized signer signs the “FLR”. The City will use the “FLR” to complete the application process, thereafter; the signed “FLR” will be provided to Administrator to complete the transaction.

Prior to preparing CalHome Reuse closing documents and escrow instructions, the City must review the first mortgage. The Primary Lender/Escrow Company is required to provide, copies of:

- Escrow Instructions
- Preliminary Title Report
- Mortgage Insurance (reflecting coverage for the 2nd mortgage loan)
- Primary Loan Terms
- Property Appraisal

The review will confirm; 1) the borrower has obtained the maximum primary loan; 2) the term and rate of the loan is consistent with affordable housing costs; 3) fees and charges are usual and customary for the area; 4) that taxes, assessments and insurance(s) are impounded for the term of the loan; 5) the homebuyer's vesting is consistent on all documents, and; 6) that LTV is not exceeded.

City Council has approved Finance Director as authorized signer to execute loan approvals and documents in the name of the City

Escrow Funding Request

Once the City approves the "FLR", an "Escrow Funding Request" will be completed by the City. **(Attachment Ten)**

The Escrow Funding Request form indicates the Project/Participant's Name, Project Number, Property Address, Description, Amount of funds the City has approved, and the indication of either the authorized fund reservation request or approved "FLR". In addition to the information, the City signs as an authorization and review of all documents.

The City of Visalia Finance Division is then required to prepare a check to be delivered to the title company.

Lender Notification

Once the "FLR" is approved and provided to Administrator, the Escrow Funding Request is approved and all documents are received, the Lender is notified by letter (fax/email) of all conditions. The Lender now requests that the loan documents be prepared.

Prior to Closing of Escrow Requirements

The City's Underwriter/Administrator prepares the loan documents and submits them to the Title Company via courier or "Overnight" delivery. These may also be emailed providing documents are in PDF format.

Prior to the closing of escrow, confirmation of **any cash out to borrower must be identified**. As per CalHome regulations §7731, any cash out of escrow to the borrower(s) are limited to the amount deposited into escrow by the borrower(s) and not needed for any lender-required minimum down-payment. NOTE: Excess cash, over that described above shall be paid to the Reuse Account and credited as a principal reduction to the homebuyer's loan. Seller credits, in a reasonable amount, that create cash back to the buyer are acceptable. However, credits from lenders or agents which create a cash-back to the buyer are not. When a lender or agent credit creates a cash-back situation, the cash-back amount shall be used as a principal reduction and not released to the buyer. **** Escrow instructions must include the prohibition of cash-back to the borrower (except as defined in 25 CCR, Section 7731[c]) and the requirement that any cash back shall be applied to the principal amount of the**

CalHome Reuse loan. Additional steps are required to complete escrow, see **Attachment Twelve.**

Confirmation of Fire Insurance and flood insurance, (if flood insurance is required by location in a flood plain zone) must be provided with the following requirements:

1. The City must receive title insurance in the amount of the CalHome Reuse funded loan at close of escrow.
2. City requires that the borrower(s) maintain insurance on the property in an amount at least equal to the replacement value of the improvements; and
3. City must be named as additional loss payee on the policy.

At the time of escrow closing, the City shall be named as an additional loss payee on fire, flood, if required, and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances.

When Primary Lender requirements are met, at the end of escrow, CalHome Reuse funds are deposited into escrow, with required closing instructions and loan documents.

See **Attachment “Eleven”** for the City of Visalia CalHome Reuse First Time Homebuyer Program Underwriting guidelines

Escrow processing

All participants will be required to have an impound account for insurance and taxes to ensure they will stay current. All persons listed on the title to the property must sign the Promissory Note, Deed of Trust and Loan Agreement. Again, note that a letter “City of Visalia CalHome Reuse First Time Homebuyer Escrow Instructions”, **Attachment Twelve**, provides instructions.

The documents will be executed with the applicant by a local Title Company. The local Title Company will be responsible for ensuring documents are properly recorded and that the City is in proper lien position (CalHome Reuse second) according to the Lender’s escrow instructions. The standard documents will be provided by the City’s underwriter to the Title Company. The title company will contact the City to coordinate the review and signing of the City’s documents. The title company will hand deliver the documents to the City to review, sign and notarize. The City will return the signed documents to the title company for recordation. The original documents will be returned to and maintained by the City of Visalia with duplicates held by the Loan Servicer (AmeriNat).

Signing Second Mortgage Documents

The City’s Administrator will meet briefly with the applicant, prior to signing documents, to review the CalHome Reuse Deed of Trust (2nd position loan), CalHome Reuse Note (2nd position), CalHome Reuse Loan Agreement, CalHome Reuse Truth in Lending, Notice of Right To Cancel and Request for Notice.

Additional documents that must have been signed prior to commitment of funds, include

- Disclosure to Seller with Voluntary, Arm’s Length Purchase Offer Declaration (Signed

by buyer(s)), • Acknowledgement- Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (page 2) (Signed by Seller(s)), • Lead Based Paint- Visual Assessment, Notice of Presumption, and Hazard Reduction Form, • Lead Based Paint Contract Contingency Language (signed by seller and buyer), • Sellers Lead Based Paint Disclosure (signed by seller, buyer and agent), • Flood Hazard Form, • Fair Lending Notice, and other forms as identified in the guidelines.

CalHome Reuse funded Loan Security

A Deed of Trust, Deferred Payment Loan Agreement and Promissory Note will secure the CalHome Reuse second mortgage.

After the CalHome Loan Closing

The City or its Administrator shall receive a certified Settlement Statement, the ALTA Policy and proof of insurance from the escrow company shortly after the loan documents record. These items will be reviewed for accuracy. Prohibited cash back will be collected from the borrower and credited as a principal reduction. Reductions shall be identified on the back of the Promissory Note and the Authorized Signatory must sign and date. In addition, a letter shall be sent to the borrower identifying the reduced principal amount. **Original** Promissory Notes, Deeds of Trust and Owner's Participation Agreements shall be returned to the City for storage.

City Loan Mortgages (CalHome Reuse) Repayment

Repayment of the Loan

The borrower may pay the CalHome Reuse Program loan amount, in part or in whole, at any time without penalty.

The loan shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, upon discovery of willful misrepresentation of fraud in connection with the program, or upon the CalHome Reuse Program loan maturity date; Per §7726, if it is determined by the City after a loan payment analysis is conducted, that repayment of the CalHome Reuse Program loan at the maturity date causes a hardship to the borrower, the City may:

- Amend the note and deed of trust to defer repayment of the amount due at loan maturity, that is the original principal and the accrued interest, for up to an additional 30 years (at 0% additional interest) this may be offered one time, or.
- Convert the debt at loan maturity that is the original principal balance and any accrued interest, to an amortized loan, repayable in 15 years at 0% additional interest.

The following transfer of interest (ownership) shall not require the immediate repayment of the CalHome Reuse program funds:

- a. transfer to a surviving joint tenant by devise, descent or operation of law on the death of a joint tenant;
- b. a transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - i. a transfer where the spouse becomes an owner of the property;
 - ii. a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - iii. a transfer into an inter vivos trust in which the borrower is and remains the beneficiary and occupant of the property.

Loan Payments are indicated within the borrower's Truth in Lending statement. Payments will be paid first towards accrued interest, and finally to principal. Households may begin making voluntary monthly payments at any time to AmeriNat.

Loan Servicing Fees

Loan servicing fees are identified within the Truth in Lending Disclosures and Note. Up to 5% of funds deposited in the Reuse account may be used for loan servicing costs.

Receiving Loan Payments

The contracted Loan Servicer (AmeriNat.) will be the receiver of loan payments. AmeriNat will maintain a financial record-keeping system to record payments and file statements on payment status. All loan payments are payable to the Loan Servicer, "AmeriNat" and may be made at any time by visiting www.amerinatls.com and selecting Loan Link or by calling Customer Service at: **(800) 943-1988**

CalHome loans are not Assumable

By statute, the CalHome Reuse Program loans are not assumable. That is to say, a CalHome loan may not be transferred to another borrower nor may another borrower offer to 'take over', or assume, the debt/loan.

Refinancing and Subordination Guidelines

The City's loans may be paid off at any time. CalHome Reuse loans are not assumable. In the event that the loan for a first trust deed is refinanced, the new senior loan must be for rate reduction or term only, and may include financed closing costs. **Cash out** from a new lien in a position senior to the CalHome lien is **not permitted**.

The new lien must be amortized for the entire period of the loan and must mature concurrently or after the CalHome lien. Negative amortization, balloon payments, or changes in payments are not allowed. The new lien must collect impounds to ensure that taxes and insurance will be paid in a timely manner and the City must be listed as a Loss Payee. A copy of the insurance declaration should be obtained to ensure that the City is still identified as an additional Loss Payee. A new request for Notice of Default or Sale should also be prepared.

The City will only consider subordination if the owner is refinancing the first trust deed to lower the interest rate without paying points to achieve a lower interest rate or, if a balloon payment is due. A borrower requesting subordination resulting in a loan term less than 30 years will trigger the loan request be taken to the City's Loan Committee or Finance Director for review. Note: The City loan may become due and payable.

The City will evaluate and approve or deny the subordination within 21 days of receipt of a completed subordination request package.

Default/Foreclosure

If an owner defaults on a loan, and foreclosure procedures are initiated they will be carried out according to the Foreclosure Policy adopted by the City of Visalia.

Foreclosure

A foreclosure, which is governed by statute, is the only instance in which the principal can be forgiven. The City is required to document, in the customer's file, all the events and notifications leading up to the foreclosure action.

Short Sales

A short sale is a sale of real estate in which the net proceeds from selling the property will fall short of the debts secured by liens against the property.

A Short Sale Request may **only** be considered if the request is to forgive interest only, as §7726(d) of the regulations related to CalHome do not allow for principal to be forgiven, except under statute. Therefore, the City may agree to a short sale by forgiving interest, if it permits the home to be sold and the loan principal to be repaid.

The City has devised a process for borrowers seeking to sell their property for less than they owe on their first mortgage. Such a 'short sale' must be approved by the City prior to completion of the transaction.

A borrower seeking City approval for a short sale should thoroughly complete and submit a "Request for Short Sale" form. Some of the items required to be submitted with the Request Form include, but are not limited to, Title Report, Appraisal, Estimated Closing Statement, the First lien holder's accepted figures, through documentation, a Release of Information request and Hardship Letter.

CalHome Loan Monitoring and Servicing Plans

The City, AmeriNat or the City's designated servicing company, will conduct loan monitoring services. Monitoring is required to ensure that the borrower and their home adhere to the City Program requirements. The services include owner-occupancy, condition of the property, tax and insurance payments and any other required monitoring. The servicing of the loans is conducted by AmeriNat and is identified within the Loan Servicing Plan submitted to CalHome.

City Finance Division's Role

The City of Visalia Finance Division works with Staff to prepare a check for escrow locally, in the amount approved for the transaction (gap assistance). The Finance Division will also maintain the CalHome Reuse Account for the repayment of CalHome Reuse borrower loan funds. See Reuse Plan for details.

CalHome Reuse Account Plan

The City of Visalia, adopted this plan to govern the use of monies received as repayments of loan principal and/or loan interest resulting from activities funded under the State of California, CalHome Program. The City has formulated this document to comply with Article 2, Section 7724 - Reuse Account Requirements of the CalHome Program, Title 25 California Code of Regulations, Division 1, Chapter 7, Sub Chapter 9, Commending with Section ;7715.

Tracking of all repayments of loan principal and any loan interest is accomplished through the use of an accounting system that tracks CalHome Reuse funds separately from other funding sources. All accrued interest on the CalHome Reuse funds shall accrue to the CalHome Reuse Account.

Funds in the reuse account shall only be used for:

1. Loans to individual homeowners or borrowers as allowed pursuant to CalHome Program requirements;
2. The cost of the homebuyer education provided pursuant to the requirements of the CalHome Program will be included in Activity Delivery for each first-time homebuyer receiving mortgage assistance from the reuse account; This amount shall be verified to the CalHome Operations Handbook, however, as of April 2016, the amount referenced was \$350 per homebuyer education.
3. A CalHome Reuse loan processing activity delivery fee, as applicable, in accordance with CalHome Program requirements; and
4. Up to 5% of funds deposited may be used towards the costs of loan servicing by the City or the cost of third-party loan servicing contracted by the City.

NOTE: The Department will monitor the reuse account according to the most current CalHome requirements.

City's role

The City is responsible, as per the agreement with HCD, for the use of the CalHome Reuse funds. The City will also: 1) Oversee the Administration of the program; 2) confirm that the housing unit is within the eligible area, and 3) review each proposed housing unit to ensure that it meets all eligibility criteria for CalHome before funding.

Administrator's role

In the event the program is contracted out, an agreement shall be executed and, per the agreement with the City of Visalia, the Administrator will, as identified within the scope of work 1) ensure completion by each assisted household of a homebuyer education class that meets the requirements set forth by CalHome requirements (Section 7722); 2) review application for eligibility; 3) work with City, lender and county to obtain lead based paint evaluation, if applicable; 4) work with lender and borrower to complete transaction; and 5) abide by regulations established by the State of California for the CalHome Reuse funds. Other rules and regulations may apply.

CalHome Reporting Requirements

For the use of CalHome Reuse funds, Annual Performance reports are due no later than thirty (30) days after June 30th of each year. For detail procedures and documentation, refer to the CalHome requirements, Section 7754 and the CalHome Manual.

CalHome Record Retention

The City's record retention policy requires that originals of legal documents (i.e. Promissory Note, Deed of Trust, Covenant or Owners Participation Agreement (OPA), Request for Notice of Default, Reconveyances, Cancelled loan documents, etc.) should remain available to Staff for three years after the application approval.

Outreach and Marketing

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability, marital or familial status, medical condition, national origin, race, religion, gender, sexual orientation, or other arbitrary cause be excluded, denied benefits or subjected to discrimination under the Program. The City will ensure that all persons, including those qualified individuals with disabilities, have access to the Program.

- a. The Fair Housing Lender logo will be placed on all outreach materials. The City will continue its marketing of the program to the public through press releases, fliers at public counters in high traffic areas, at fair booths and at special events. All of the materials are available in both English and Spanish, which is the language that is the primary language of a significant portion of the area residents. The City will continue their cooperative relationship with the Housing Authority of the County of Tulare in coordinating targeted outreach to the tenants in public housing.

The Fair Lending Disclosure is attached as (**Attachment Seven**).

The Program Operator will work closely with local real estate agents and primary lenders to explain the Program requirements and process for eligible housing units and homebuyers.

- b. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any

program receiving Federal funds. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

CalHome Reuse First Time Homebuyers steps

Step by step process:

1. Applicant contacts City or its Administrator
 - Staff informs the applicant of the income guidelines, restrictions, down payment requirements and loan requirements Applicant is advised to contact a certified mortgage lender
2. Applicant contacts the certified mortgage lender (1st mortgage pre-qualification)
 - The applicant(s) will be required to complete an application for CalHome Reuse funding. Documentation that must be provided includes, but is not limited to: two years of income taxes, verified income (i.e. paystubs and verification of employment), and additional documentation as required by the 1st mortgage lender.
 - A credit report is submitted for the credit history of the applicant(s). All applicants must be pre-approved for a first mortgage through a “certified” primary lender and document the need for the City’s financial assistance to become homeowners. The first mortgage is a critical element in that contemporary financing maximizes the borrower’s purchasing power. The types of “fixed” first mortgage loans, which typically accept the rules of the CalHome Programs, are FHA or Conventional.
3. Applicant contacts a Realtor (identify property)
 - Applicant is required, in order to utilize the City Program, to locate a property within the city limits. The client works with a Realtor to purchase a property.
4. Applicant(s) makes an offer on a home
 - A condition is stated in the offer that the seller understands that the buyer will accept the offer if the second mortgage with the City of Visalia is approved, in addition to the first mortgage approval.
 - It is recommended that a sixty (60) day escrow be set up for completion of all loans.
 - Applicant has identified a property, worked with a Realtor, and has been pre-qualified for a first mortgage, the lender reviews City program income guidelines and maximum purchase price guidelines, and conducts a preliminary screening of the applicants’ qualifications as they pertain to the City’s program.
5. The lender reviews the applicants income and completes the First Time Homebuyers, 80% of Median Certification form, signed by the lender and the

applicant(s) and submits the completed document, as part of the initial application, to the City or its Administrator (**Attachment One, part two**)

6. Contacting the City of its Administrator for Application and fund availability

- If the applicant has a preliminary screening with the Lender and meets the income guidelines, maximum purchase price guidelines and the property is within the City of Visalia limits, the Lender contacts the City or its Administrator.
- Staff verifies that funding is available in order to submit a City of Visalia First Time Homebuyers Program application. **Note:** No City Funds are deemed “Reserved” until the City’s application and the minimum requirements have been met and the City has authorized the funding reservation.
- Lender works with applicant(s) to complete City of Visalia CalHome Reuse First Time Homebuyer Application (**Attachment Nine**) and submits completed application to the City or its Administrator
 - The submitted application must include completed, certified verification forms (employment, income, social security, etc.) (**Attachment Nine, part one**) **Note:** No City Funds are deemed “Reserved” until the City’s application and the minimum requirements have been met and the City has authorized the funding reservation.
 - The CalHome Reuse Gross Income Worksheet, Worksheets 1-5, CalHome Receipt from Buyers and CalHome Reuse Conflict Disclosure (**Attachments 1, part 2 and part 4**) must be included with the application for it to be considered complete.
- Staff review application
- Staff verifies that the family/household qualifies under the program guidelines (basic qualifications, based upon the completed city application, which is completed by the lender and applicant(s).)
- Lender/Realtor verifies the maximum purchase price for the City program (this is typically referenced and dated within the application). Maximum purchase price is based on the State of California Single Family Maximum Purchase Price limits set for the Tulare-Visalia-Porterville Statistical Area, and are tied to the HOME Program. (95% of the single family mortgage limits).
- Staff verifies that the following information has been provided by the applicant(s): Name, address of property (must be within City of Visalia, city limits), ethnicity, Income, based upon HCD’s income maximums, and family/household size.

7. Reservation of CalHome Reuse funds

- Upon confirmation of complete loan application, including documentation, Staff will complete a “Sub-recipient Project Number Request”. This will indicate project number and preliminary review and reservation of the City funds. Funds are not reserved until an approval is obtained from the City. (**Attachments Nine, part one and two**)

8. The City or its Administrator sends a letter (fax/email) to the Certified Lender indicating funds have been reserved and instructions in working with the Underwriter. (**Attachment Nine, part three**)
- The client is now aware of their eligibility, loan amount and maximum purchase price.
 - The borrower signs the “Receipt from Buyer” form upon receiving a reservation of funding, or prior to signing loan documents. Signed original must be included in ‘complete loan package’ as described beginning on page 34 of this document. (**Attachment One, part three**)
 - Applicant(s) will be required to participate in a Homeownership training (approved by CalHome) and a program review class. The class informs the client of the income guidelines, restrictions, down payment requirements and loan requirements (**Attachment One, part one Certificate**)
 - Lender or Realtor must call City of Visalia Building Department and request a first time homebuyer building inspection; Inspection cost must be paid out of pocket

9. Lender processing

- Once the City reserves funds, the Lender submits the full “First Time Homebuyers Program” Application and loan package to the Underwriter/Administrator with a full copy of the loan package concurrently forwarded to the City for the applicant file. Submit your complete application for underwriting to: Juan Jaime. (**Attachment Nine and Nine part one**)

Self Help Enterprises
Attn: Shadie Garcia (559) 802-1608
shadieq@selfhelpenterprises.org
8445 W. Elwin Court
Visalia CA 93291

- The City or its Administrator will work with the Lender in obtaining the required documentation and in processing of the loan and any other required documentation.

10. City’s Loan Underwriter process

- Underwriter reviews the applications for the first and second mortgages.
- The Uniform Residential Loan Application (sometimes referred to as the 1003) is the industry standard. The application requires sufficient information concerning a borrower’s ability and willingness to repay the mortgage debt. The application should be compared to the credit report and the various verifications, as they are received, to backup what the borrower has stated on the application. If there are discrepancies between the documents, the Underwriter must determine what is factual and have the borrower explain the discrepancies.
- Review will verify that the prospective homebuyer:

- Has successfully demonstrated, over a minimum 12-month period, the ability to pay housing costs equal to or greater than the proposed monthly housing costs for the property being purchased.
- Is a limited user of credit and they show a history of being able to save money
- If questions arise during the review process, Underwriter will contact both the Lender and City.
- Underwriter has a maximum of ten (10) days to process and complete the recommendation. The clock will be stopped if questions arise and need verification, answers or documentation.
- Underwriter completes a “Final Loan Recommendation” (FLR) and submits this to the City.

11.A ‘complete’ Loan Package includes:

- City of Visalia Application and Pre-Funding Reservation Request form **(Attachment Nine + parts one and two and Attachment Ten)**
- Homebuyer Certifications Letter and Worksheets **(Attachment One, part two)**
 - First Time Homebuyer, 80% of Median Certifications
 - Worksheets 1, 2, 3, 4 & 5
 - CalHome Reuse Program Gross Income Worksheet
- Copy of Lender’s Certificate of Participation in the CalHome Reuse Program **(Attachment Two, part two)**
- Sellers Lead-Based Paint Disclosure, Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint hazards, Lead Warning Statement **(Attachment Three)**
- Lead Based Paint Contract Contingency Language (signed by seller and buyer) **(Attachment Four)**
- Disclosure to Seller with Voluntary, Arm’s Length Purchase Offer Declaration (Signed by buyer(s)) **(Attachment Five, part one)**
- Acknowledgement- Disclosure to Seller with Voluntary, Arm’s Length Purchase Offer (Signed by Seller(s)) **(Attachment Five, part two)**
- Lead Based Paint- Visual Assessment, Notice of Presumption, and Hazard Reduction Form: If built prior to 1978- required to be conducted and completed by certified lead inspector **(Attachment Six)**
- Flood Hazard Form
- Flood Insurance (if applicable)
- Homeowners Insurance
- And other requirements by the first mortgage lender and HCD CalHome regulations.

- Fair Lending Notice (**Attachment Seven**)
- Proof of Code or Final Inspection by City of Visalia (Lender or Realtor must call City of Visalia Building Department and request a homebuyer Inspection; Inspection cost must be paid out of pocket) - must be received prior to approving the “FLR”.
- Pest Inspection (if applicable), receive prior to approving “FLR”
- Purchase Contract signed by buyers and sellers
- Loan Estimate (should include City loan fees)
- Escrow Instructions are to be submitted to the underwriter and provided to the City prior to closing a transaction (Review for any exceptions which may show on the CLTA and ALTA policies or any endorsements they are requesting).
 - *Confirmations of fees, charges, maximum primary loan amount, term and interest rate are required prior to funding a loan*
- Truth In Lending Statement
- Verification of Mortgage Maximum (for reference only- The City will confirm the maximum purchase price limits)
- CalHome Reuse Homebuyers Education Certificate (**Attachment One, part one**)
- FNMA Form 1003 (Uniform Residential Loan Application), completed and signed
- Preliminary Title Report
- Appraisal
- Lenders’ Underwriting Worksheet and approval memo (including rate lock information)
- Residential Mortgage Credit Report
- Three years signed and completed tax returns
- All appropriate verifications including but not limited to: VOE’s, VOD’s, Bank Statements, pay stubs, W2’s, Gift letters, where applicable, Explanation of derogatory credit, FHA’s Mortgage Credit Analysis Worksheet (MCAW) or FNMA 1008 form, where applicable
- Certified Copy of Escrow Instructions signed by seller/buyer
- Wiring Instructions
- Statement of Household Compositions to include, Name, Age and Relationship to everyone who will occupy the household.

12. City process

NOTE: In the absence of an ‘Administrator’, the City will communicate directly with the underwriter.

- Underwriter faxes the Final Loan Recommendation (FLR) to the City for final review and the City approves or denies the application.
 - Verification of any lead based paint issues, insurance (homeowners and flood), and proof of building inspection are to be submitted with the “FLR”, in order to make a recommendation. (Note for City Staff: If the property is in a flood zone the 8- step process, completed 2003, must be placed into the file regarding the environmental process)
- The City’s authorized signer, signs the recommendation document (approval of the “FLR”).
- The City faxes the “Approved FLR” to Administrator to complete the transaction.

13. Escrow Funding Request

- Once the City approves the “FLR”, it completes an “Escrow Funding Request” form. **(Attachment Ten)**.
- The Escrow Funding Request form indicates the Project/Participant’s Name, Project Number, Property Address, Description, Amount of the City’s approval amount of funds and the indication of either the authorized fund reservation request or approved final loan recommendation attachments.
- The City of Visalia Finance Division is then required to prepare a check in the amount of the loan.

14. Lender notification

- Once the “FLR” is approved, Escrow Funding Request is approved and all documents are received, the Lender is notified by fax/email/letter of all conditions.
- The Lender now requests that the loan documents are prepared.

15. City’s Loan document submittal to Title Company

- The City’s Administrator/Underwriter prepares the loan documents and submits them to the Title Company via courier or “Overnight” delivery

16. Standard Documents required

- In addition to the Loan application, proof of income, verification of employment, and other lending document requirements, the standard documents required to complete the transaction is as follows:
 - Notice of Right to Cancel
 - CalHome Reuse Deed of Trust
 - CalHome Reuse Loan Agreement
 - CalHome Reuse Promissory Note
 - CalHome Reuse Truth in Lending
 - Request for Notice

- Lender's Escrow Instructions (including conditions to close)
- Additional documents required are Title Insurance Policy and Flood Insurance (if applicable). These documents must be provided to Underwriter & City in order to verify that the owner has title insurance and flood insurance if in a flood zone.

17. Title Company process

- Once the Title Company receives the loan documents, the Client/Participant is required to sign the documents at that title company. The documents are then notarized.

18. City review

- The City reviews the documents for the correct address, name of the participant, amount of funds and double checks the legal description for any typing errors.
- The City provides the signatures and notarizations required and takes a copy for audit purposes.
- The City then contacts Title to pick up the legal documents for recording.

19. City Loan completion

- Once Administrator verifies all conditions outlined and the Lender's instructions have been met, Finance will prepare a check for funding. Escrow is then funded and the documents are recorded at the county recorder's office the following day. **Title shall provide conformed copies to the City.**

20. Loan Documents

- After the recordation of the documents, it can take anywhere from thirty (30) days to ninety (90) days to receive the recorded documents back for the City's vault files.
- City staff completes the required form and provides the form and loan docs to its Loan Servicer (AmeriNat) so it may set up the loan file for payments and maintain records of all transactions.

21. The City will complete the appropriate documents to complete the requirements of the CalHome Disbursement Procedures. (City Internal process)

Appendix "A"

Title 25 Section 6914 Gross Income Inclusions

"Gross income" shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income.

"Income" shall consist of the following:

(a) Except as provided in subdivision (b), "Exclusions", all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income a a family. Income shall include, but not be limited to:

- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
- (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
- (3) Interest and dividends;
- (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay
- (6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - (B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,
- (7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse.

Appendix “B”

Title 25 Section 6914 Gross Income Exclusions

(b) The following items shall not be considered as income:

- (1) Casual, sporadic or irregular gifts;
- (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;
- (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
- (6) Relocation payments made pursuant to federal, state, or local relocation law;
- (7) Foster child care payments;
- (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;
- (9) Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:
 - (A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.
 - (B) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

Appendix “C”

§ 24.101 Applicability of acquisition requirements.

(b) *Programs and projects receiving Federal financial assistance.* The requirements of this subpart apply to any acquisition of real property for programs and projects where there is [Federal financial assistance](#) in any part of project costs except for the acquisitions described in paragraphs (b)(1) through (5) of this section. The relocation assistance provisions in this part are applicable to any [tenants](#) that must move as a result of an acquisition described in paragraphs (b)(1) through (5) of this section. Such [tenants](#) are considered displaced persons. (See [§ 24.2\(a\)\(9\)](#).)

(1) The requirements of Subpart B do not apply to acquisitions that meet all of the following conditions in paragraphs (b)(1)(i) through (iv):

(i) No specific site or property needs to be acquired, although the [Agency](#) may limit its search for alternative sites to a general geographic area. Where an [Agency](#) wishes to purchase more than one site within a general geographic area on this basis, all owners are to be treated similarly. (See appendix A, [§ 24.101\(b\)\(1\)\(i\)](#).)

(ii) The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.

(iii) The [Agency](#) will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing.

(iv) The [Agency](#) will inform the owner in writing of what it believes to be the market value of the property. (See appendix A, [§ 24.101\(b\)\(1\)\(iv\) and \(2\)\(ii\)](#).)

(2) Acquisitions for programs or projects undertaken by an [Agency](#) or [person](#) that receives [Federal financial assistance](#) but does not have authority to acquire property by eminent domain, provided that such [Agency](#) or [person](#) shall:

(i) Prior to making an offer for the property, clearly advise the owner that it is unable to acquire the property if negotiations fail to result in an agreement; and

(ii) Inform the owner in writing of what it believes to be the market value of the property. (See appendix A, [§ 24.101\(b\)\(1\)\(iv\) and \(2\)\(ii\)](#).)

Appendix “D” - Attachments

Attachment One, part one: Homebuyer Certificates



Attachment One, part two: First Time Buyer, Education & Income Certification

**City of Visalia CalHome Reuse First Time Homebuyer Loan Program
CERTIFICATION LETTER**

Date:

RE: Certification of CalHome FTHB Program homeownership training, first time home buyer and gross family yearly income.

To whom it may concern:

1. This is to certify that _____ is applying for a CalHome Reuse funded second mortgage through the City of Visalia CalHome FTHB Loan Program.

Attached are the following worksheets completed by the borrower(s) that document their understanding of the material covered.

- CalHome Reuse FTHB Loan Program Gross Income Worksheet
- Worksheet 1 Your current monthly expenses
- Worksheet 2 Your available cash and assets
- Worksheet 3 Your gross monthly income
- Worksheet 4 Your monthly debt payments
- Receipt from Buyers

2. This is also to certify that _____ is a first time homebuyer and has not owned a house in the last three years (3)

3. This is also to certify that _____ has a gross family income that is less than 80% of the Visalia median income.

Loan Officer Date

Borrower Date

Lender Name

Co-Borrower Date

Attachment One, part two: Gross Income Worksheet



CalHome Reuse Program Gross Income Worksheet

ASSETS				
Household Member	Assets Description	Current Value	Actual Income from Assets (Annualized)*	
1. Totals		1(a)	1(b)	
2. If line 1(a) is \$5,000 or less, enter 0 here and in line 6(d) below. Income from assets of \$5,000 or less is not included in the determination of income eligibility.			2.	
3. If line 1(a) is greater than \$5,000:				
(a) multiply line 1(a) by 2.0% and enter results here			3(a)	
(b) enter amount from line 1(b)			3(b)	
(c) Enter the greater of lines 3(a) or 3(b) here and in line 6(d) below.			3(c)	
ANTICIPATED ANNUAL INCOME *				
Household Member	a. Wages/ Salaries	b. Benefits/ Pensions	c. Other Income	d. Asset Income
6. Totals	a.	b.	c.	d.
7. Enter total of items from 6a. through 6d. (Total Income)				7.

* Use Wage Income Calculations Worksheet (Includes method for annualizing amounts)

Completed and Reviewed by: _____ Date: _____

Attachment One, part two: Worksheets 1 - 5

Worksheet 1

Your current monthly expenses

Use this worksheet to calculate your current monthly expenses. By comparing your nonhousing expenses with your gross monthly income (in Worksheet 3), you can see how much you have left for housing-related expenses. Remember that when you are a homeowner, your housing expenses will include your monthly mortgage payment, property taxes and homeowner's insurance, condominium fee (if applicable), utilities, and maintenance costs.

	Average Monthly Payment
Rent	\$
Utilities (if paid separately)	\$
Current Nonhousing Expenses	
Food	\$
Clothing	\$
Daycare/tuition	\$
Car loan	\$
Car insurance	\$
Gas and Oil	\$
Car repairs	\$
Health care	\$
Credit card payments	\$
Installment loan payments	\$
Student loan	\$
Alimony/child support	\$
Entertainment	\$
Taxes	\$
Telephone	\$
Insurance (other than car)	\$
Other (specify)	\$
Other (specify)	\$
Total Monthly Expenses	\$

Worksheets 111

Attachment One, part two

Worksheet 2 Your available cash and assets

List here all your sources of cash and any assets you can use for the down payment and closing costs.

Checking account(s)	\$
Savings account(s)	\$
Mutual funds, stocks, and bonds	\$
Current Nonhousing Expenses	\$
Cash value of life insurance policy	\$
Cash gifts from parents or other relatives	\$
Other assets	\$
Total Cash and Assets	\$

Attachment One, part two

Worksheet 3

Your gross monthly income

List all current, regular gross monthly income for yourself and any co-borrowers. Consider all sources of income during the past 12 months if they are likely to continue for at least three years.

	Average Monthly Amount	
Gross pay (before taxes and other deductions)	\$	
Overtime/part-time/seasonal/commission income	\$	
Bonuses/tips		
Dividends/interest earnings	\$	
Business or investment earnings	\$	
Pension/Social Security benefits	\$	
Unemployment compensation	\$	
Public assistance	\$	
Alimony/child support/separate maintenance income	\$	
Other	\$	
Total Gross Monthly Income		

HOME Funds utilize 24 CFR 5.609 income guidelines. Income is calculated based on current gross (projecting 12 months)

Worksheets 115

Attachment One, part two

Worksheet 4 Your monthly debt payments

List all the monthly debt obligations of your household (other than your current housing expenses).

If your Total Monthly Debt Payments equal more than 8 percent -- or 10 percent if you have very good credit -- of your gross monthly income (which you calculated on Worksheet 3), then your "excess debt" will reduce the amount of mortgage for which you can qualify.

Refer to Chart 3 for additional detail.

	Average Monthly Amount	
Car Payment	\$	
Other installment loan payments with ten or more monthly payments remaining (furniture, appliance, etc.).	\$	
Average monthly credit card payment		
Student loan payment	\$	
Medical/health care payment	\$	
Alimony/child support payment	\$	
Total Monthly Debt Payments	\$	

Worksheets 117

Attachment One, part two

Worksheet 5

CALHOME REUSE FTHB ESTIMATE SUBSIDY CALCULATION

For estimate purposes only

Purchase Price of Property		_____
Housing Expense Ratio (1)		
ENTER Total Gross Monthly Income (from Worksheet 3)		_____
multiply by 30%		<u>0.30</u>
Maximum allowable for PITI plus HOA or condo fee		_____
SUBTRACT MIP	-	_____
Maximum allowable for PITI plus fees & MIP		<input style="width: 100px;" type="text"/> (1)
Total Debt Ratio (2)		
Total Gross Monthly Income		_____
multiply by 45%		<u>0.45</u>
Maximum allowable for PITI and other monthly debts		<input style="width: 100px;" type="text"/> (2)

ENTER the lower of (1) or (2) here --> _____ **(3)**

This figure represents the maximum allowable for PITI, given current gross monthly income and debts

Multiply the amount in Line (3) by 80% to estimate portion of PITI that represents P&I only.

$$\$ \text{_____} - \text{(3)} \times .80 = \$ \text{_____} - \text{(4)*}$$

* Maximum Allowable for P&I

Divide the Maximum Allowable for P&I on line (4) by the P&I Factor (divided by 1000) representing today's interest rate environment. (i.e. 4.25% = .00492 ♦table on page 2)

$$\$ \text{_____} - \text{(4)} \div \text{_____ (factor)} = \text{_____} **$$

** Maximum Loan Amount (P & I)

Purchase Price of Home		_____
Less Primary Loan Amount **	-	_____
Less down payment of 3%	-	_____
Equals "GAP"		_____
Plus allowable settlement charges	+	_____

Equals Total Subsidy _____

Worksheet 5
CALHOME REUSE FTHB ESTIMATE SUBSIDY CALCULATION
For estimate purposes only

Monthly Principal & Interest Payment Factors for 30 year mortgages
 Utilize this table to complete Worksheet 5- Estimated Subsidy

Interest Rate	Factor	Interest Rate	Factor
4.00%	4.77	5.63%	5.76
4.13%	4.85	5.75%	5.84
4.25%	4.92	5.88%	5.92
4.38%	4.99	6.00%	6
4.50%	5.07	6.13%	6.08
4.63%	5.14	6.25%	6.16
4.75%	5.22	6.38%	6.24
4.88%	5.29	6.50%	6.32
5.00%	5.37	6.63%	6.40
5.13%	5.44	6.75%	6.49
5.25%	5.52	6.88%	6.57
5.38%	5.60	7.00%	6.65
5.50%	5.68	7.23%	6.74

Attachment One, part three: Receipt from Buyers

RECEIPT FROM BUYERS CALHOME REUSE FTHB PROGRAM

I/we, _____, have read and understand the program guidelines (Attachment Eleven to the Policies and Procedures Manual) for the City of Visalia CalHome Reuse Funded First Time Homebuyer (FTHB) Program. I certify that I have been given a copy of the City of Visalia CalHome Reuse FTHB Program guidelines for my records by my primary lender. I have read and understand the Deed of Trust, Note and Truth in Lending Statement for the participation in the City of Visalia's CalHome Reuse FTHB Loan Program.

(_____)
Name of Lender

Signature of Buyer Date

Signature of Buyer Date

Attachment One, part four: Conflict Disclosure

Page 1

CITY OF VISALIA CALHOME REUSE FTHB

CONFLICT OF INTEREST DISCLOSURE FORM

As a prospective applicant of the **CalHome Reuse First Time Homebuyer Program**, a **City of Visalia, Community Development** administered program –

I/we understand that I/we must disclose my/our relationship(s) with other persons who I/we may be associated with. This includes, but not limited to official, employee, board member, commissioner, council member, committee representative, agent and/or other representative of the City, non-profit agency, or developer.

1)Therefore, I (Applicant No. 1) _____ attest to the following:

- I am not a current employee of the entity listed above, in which I wish to participate.
- I am a current employee of the specified entity listed above.
- I am a former official, employee, board member, commissioner, council member, committee representative, agent and/or other representative of the above specified entity.
 Position/Title: _____ Agency: _____
 Date Employment/Term Ended: _____

To the best of my knowledge, I am not related to an official, employee, board member, commissioner, agent and/or representative of the above specified entity, **OR**

I am related to or have a business relationship with a current official, employee, board member, commissioner, council member, committee representative, agent and /or other representative of the specified entity above, also referenced as a program administrator, developer or sponsor.

Name of Person _____ Entity: _____ Position: _____

The relation of the person is as follows:

- Parent; Spouse; Immediate family; Business associate; Other: _____
- Parent; Spouse; Immediate family; Business associate; Other: _____

2)Therefore, I (Applicant No. 2) _____ attest to the following:

- I am not a current employee of the entity listed above, in which I wish to participate.
- I am a current employee of the specified entity listed above.
- I am a former official, employee, board member, commissioner, council member, committee representative, agent and/or other representative of the above specified entity.
 Position/Title: _____ Agency: _____
 Date Employment/Term Ended: _____

To the best of my knowledge, I am not related to an official, employee, board member, commissioner, agent and/or representative of the above specified entity, **OR**

Attachment One, part four

Page 2

I am related to or have a business relationship with a current official, employee, board member, commissioner, council member, committee representative, agent and /or other representative of the specified entity above, also referenced as a program administrator, developer or sponsor.

Name of Person _____ Entity: _____ Position: _____

The relation of the person is as follows:

Parent; Spouse; Immediate family; Business associate; Other _____

Parent; Spouse; Immediate family; Business associate; Other _____

Applicant's Name (Print)

Applicant's Signature

Date:

Applicant's Name (Print)

Applicant's Signature

Date:

Property Address

Conflict of Interest guidelines are based on Department of Housing and Community Development regulations found in Title 25 of the California Code of Regulations. In addition, Conflict of Interest rules must be adhered to when purchasing supplies, equipment, construction, and other related services [See 24CFR 85.36 and 24 CFR 85.42 (the Common Rule)].

In accordance with Title 25 of the California Code of Regulations, Section 6500, no member of the governing body and no official, employee or agent of the local government, nor any person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees and agents of the loan committee and similar agencies) in connection with the planning and implementation of the Program shall directly or indirectly be eligible for the Program. This ineligibility shall continue for one year after an individual's relationship with the Sub recipient ends. Exceptions to this policy can only be made after public disclosure and formal approval by HUD and the City Council.

Attachment Two, part one: Letter of Participation

CITY OF VISALIA
CalHome Reuse First Time Homebuyer Loan Program

LETTER OF PARTICIPATION
BY LENDING INSTITUTION

This Letter of Participation, ("LOP"), is executed by _____, a _____ ("Realtor or Lender") in favor of the City of Visalia, a Municipal Corporation organized and existing under the laws of the State of California ("City") to memorialize Lender's participation in the City's CalHome Reuse First Time Homebuyer Program ("Program"), as follows:¹

1. The City operates a local program under the California Department of Housing and Community Development ("HCD") CalHome Mortgage Assistance Program² incorporated herein ("CalHome Reuse Program") providing financial assistance ("Loan") to eligible homebuyers utilizing a purchase mortgage which is eligible under the CalHome Program and is either FHA/or HUD insured. (collectively "Eligible Mortgage").
2. 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 the LOP and in the Program requirements and Guidelines.
3. Homebuyers must: (1) be a first-time homebuyer, defined as not having owned a home for the past three calendar years; (2) have income within the limits of the Program; (3) purchase a home for owner occupancy that does not exceed the maximum sales price for the Program³, that meets the City's CalHome Reuse Program requirements, is located within Visalia City Limits and is not on a county island.
4. The City will provide deferred loans of up to \$60,000.00 for gap financing. The 'gap' the City will finance is the difference between the purchase price with closing costs and the amount of the borrower's first mortgage loan and down payment. This loan will be secured with a Deed of Trust that will record subordinate to the primary mortgage loan (second lien position). The Loan will be provided at 1% interest rate with no monthly payments required. The Loan, in its entirety, is due and payable: (1) thirty (30) years from the date of the loan; (2) upon sale, transfer of title, lease or encumbrance; (3) when the property ceases to be owner-occupied; or (4) upon the maturity date or full repayment of any senior deed of trust on the property.

¹ The Letter of Participation is attached to the City of Visalia CalHome Reuse First Time Homebuyer Program Policies and Procedures and incorporated therein.

² City of Visalia CalHome Reuse Polices & Procedures, Cal. Health & Safety Code §§ 50650 et seq.; 25 CCR §§ 7715 et seq.

³ The single family housing unit must not have a purchase price that exceeds the State of California HOME Program Single Family Maximum Purchase Price/After-Rehabilitation Value Limits for the program year.

5. Lender shall pre-qualify each borrower for the maximum first mortgage loan possible to purchase a predetermined home taking into account that the borrower's front end ratio can be no less than 30% yet no more than 35% and the back end ratio cannot exceed 45%. Preliminary loan approval must be completed prior to Lender submitting an application to the City for a Program Loan. Lender shall also identify the amount of cash required of the borrower for the down payment and loan closing costs. NOTE: Down payment must be at least 1.5% of the purchase price.
6. If borrower is determined by Lender to be eligible for a Program Loan, Lender shall complete the CalHome Reuse Certification Letter, as provided by the City. The Lender's authorized signatory is to certify eligibility for the Program.
7. The City's Underwriter shall prepare the necessary City Program Loan documents including Deeds of Trust, Notes, Truth in Lending Disclosure Statements and Deferred Loan Payment Agreements.
8. Lender shall submit the original signed CalHome Reuse First Time Homebuyer Loan Program Application, including all required verifications, and escrow instructions to:

Self Help Enterprises
8445 W Elowin Ct
Visalia, California 93291
Attn: Shadie Garcia

NOTE: Exact copies shall be concurrently submitted to:

City of Visalia
707 W Acequia Ave
Visalia, California 93291
Attn: Finance - Housing

9. Upon receipt of said documents, Underwriter will review same for completeness, eligibility and signature authorization, complete underwriting and provide a recommendation to the City to Approve or Deny the loan.
10. Upon City approval of the loan, the City will process a check in the amount approved. The City will submit a check and the City's Program Loan documents with instructions to the escrow agency handling the borrower's escrow, as provided by the Lender. The Program Loan proceeds are to be disbursed only upon close of escrow. At close of escrow, all original City Program Loan documents (including conformed copies of recorded documents), evidence of property insurance documentation and the final settlement statement are to be provided to the City. Original recorded documents shall be provided to the City after recordation. A review of the final settlement statement will be performed to ensure that the borrower has contributed a minimum 1.5% of the purchase price and that the contribution has remained in the transaction and has not been returned to the borrower. If not in compliance, a request for the funds will be issued to the title company with a copy to the borrower. When the funds are returned to the City, the borrower's loan amount will be reduced. The City shall

bear no costs in escrow absent City's written consent. Monitoring and accounting of the City's Program loan and requisites will be the responsibility of the City.

11. Either the City or the Lender (with borrower's authorization) may suspend or terminate its participation in the Program and/or any proposed home purchase transaction thereunder as to which escrow has not closed, by providing written notice 30 days prior to effective date of termination, provided the City's participation in the Program shall automatically terminate pro rata to the extent that CalHome Program funding for any reason is or becomes unavailable. Lender acknowledges and agrees that, should CalHome Program funding be encumbered, withdrawn or otherwise made unavailable to the City, whether earned by or promised to Lender of Homebuyer, said CalHome Program funds shall not be provided unless and until they are made available for payment to the City. No other funds owned or controlled by the City shall be obligated hereunder or under the Program.

12. To the fullest 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, employees, agents or volunteers.

13. 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 / Realty Office _____

Address _____

City, State & Zip _____

Telephone _____ Fax _____

Authorized Realtor/Lender Representative:

Signature	Date	Name	Title
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Approved: City of Visalia

Signature	Date	Name	Title
-----------	------	------	-------

Attachment Two, part two: Lender Certificate



CERTIFICATE OF ACHIEVEMENT

Awarded to

Name of Company

Name of Participant

For the successful completion of City of Visalia's
*CalHome Reuse First Time Homebuyers Program Certification
For Realtors, Lenders and Title Companies*

Date

Course Administrator

City of Visalia



Attachment Three: Seller's Lead Based Paint Disclosure

City of Visalia CalHome Reuse First Time Homebuyers Program

Sellers Lead-Based Paint Disclosure Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning.

Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women.

The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards.

A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain). _____

(ii) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents). _____

(ii) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) Purchaser has received copies of all information listed above.

(d) Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

(e) Purchaser has (check (i) or (ii) below):

(i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Seller	Date	Purchaser	Date
_____	_____	_____	_____
Seller	Date	Purchaser	Date
_____	_____	_____	_____
Agent	Date	Agent	Date

Attachment Four: Lead Based Paint Contingency

City of Visalia CalHome Reuse First Time Homebuyers Program Lead-Based Paint Contract Contingency

This contract is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at the Buyer's expense until 9 p.m. on the tenth calendar-day after ratification.

This ending date is: _____. [Insert date 10 days after contract ratification or a date mutually agreed upon].

(Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information.)

This contingency will terminate at the above predetermined deadline unless the Buyer (or Buyer's agent) delivers to the Seller (or Seller's agent) a written contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report.

The Seller may, at the Seller's option, within _____ days after Delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Buyer with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of the settlement. If the Seller does not elect to make the repairs, or if the Seller makes a counteroffer, the Buyer shall have _____ days to respond to the counter-offer or remove this contingency and take the property in "as is" condition or this contract shall become void. The Buyer may remove this contingency at any time without cause.

Property Address:

_____ Seller	_____ Date	_____ Purchaser	_____ Date
_____ Seller	_____ Date	_____ Purchaser	_____ Date
_____ Agent	_____ Date	_____ Agent	_____ Date

Attachment Five, part one: Arm's Length Disclosure

**City of Visalia CalHome Reuse First Time Homebuyers Program
Disclosure to Seller with Voluntary, Arm's Length Purchase Offer**

Part One

DECLARATION

This is to inform you that (name of buyers) _____
would like to purchase the property, located at (address) _____
_____, if a satisfactory agreement can be reached. The City will not be
conducting its own appraisal of the subject property.

Because Federal and State funds may be used in the purchase, the City is required to
disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell to the buyer, _____,
the City of Visalia will not acquire your property. The buyer does not have the power of
eminent domain to acquire your property by condemnation (i.e. eminent domain) and
the City of Visalia will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$ _____ and was
estimated by _____, to be finally determined
by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arm's length, transaction, you would not be eligible
for relocation payments or other relocation assistance under the Uniform Relocation
Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or
regulation.

Again, please understand that if you do not wish to sell your property, The City will take no
further action to acquire it.

_____ Buyer	_____ Date
_____ Buyer	_____ Date

Form continues on next page with Seller's Acknowledgment

Attachment Five, part two

**City of Visalia CalHome Reuse First Time Homebuyers Program
Disclosure to Seller with Voluntary, Arm's Length Purchase Offer**

Part Two

Acknowledgement

As the Seller, I/we understand that the City of Visalia will inspect the property for health and safety deficiencies (Code Compliance Inspection). I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the City of Visalia's program, the property must be currently owner-occupied, vacant for four months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit.

I/we hereby certify that the property is: *(select one)*

Vacant at least 4 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

Attachment Six: Lead Based Paint Assessment Form

City of Visalia CalHome Reuse First Time Homebuyers Program

LEAD-BASED PAINT

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint hazards are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and/or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.	

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.	
Attachment D: Location of building components with lead-based paint remaining in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information		Organization:
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

Form created by: State of California HCD

Attachment Seven: State Fair Lending Notice English

STATE OF CALIFORNIA FAIR LENDING NOTICE

TO: ALL APPLICANTS FOR FINANCIAL ASSISTANCE FOR THE PURCHASE, CONSTRUCTION, REHABILITATION, IMPROVEMENT OR REFINANCING OF ONE OR MORE FAMILY RESIDENCES:

IT IS UNLAWFUL, UNDER THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977, FOR A PUBLIC AGENCY TO CONSIDER ANY OF THE FOLLOWING IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE OR ARRANGE FOR FINANCIAL ASSISTANCE:

1. NEIGHBORHOOD CHARACTERISTICS (SUCH AS THE AVERAGE AGE OF THE HOMES OR THE INCOME LEVEL IN THE NEIGHBORHOOD), EXCEPT TO A LIMITED EXTENT NECESSARY TO AVOID AN UNSAFE AND UNSOUND BUSINESS PRACTICE.
2. RACE, SEX, COLOR, RELIGION, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY.

IT IS ALSO UNLAWFUL TO CONSIDER, IN APPRAISING A RESIDENCE, THE RACIAL, ETHNIC, OR RELIGIOUS COMPOSITION OF A PARTICULAR NEIGHBORHOOD, OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE.

IF YOU WISH TO FILE A COMPLAINT, OR IF YOU HAVE QUESTIONS ABOUT YOUR RIGHTS, CONTACT:

DEPT. OF FAIR EMPLOYMENT AND HOUSING
1900 MARIPOSA MALL, SUITE 130
FRESNO, CA 93721

Phone: 1-800-233-3212 Toll Free (Within California) or 559-244-2950

Website: <http://www.dfeh.ca.gov>

IF YOU FILE A COMPLAINT, THE LAW REQUIRES THAT YOU RECEIVE A DECISION WITHIN THIRTY (30) DAYS.

I(WE) RECEIVED A COPY OF THIS NOTICE:

APPLICANT

DATE

APPLICANT

DATE

APPLICANT

DATE

APPLICANT

DATE

THIS NOTICE MUST BE PRINTED IN NOT LESS THAN 10-POINT BOLDFACE TYPE



Attachment Seven: State Fair Lending Notice Spanish

NOTICIA DE IGUALDAD EN PRÉSTAMOS DEL ESTADO DE CALIFORNIA

ATENCIÓN: TODOS LOS QUE SOLICITAN AYUDA PARA LA COMPRA, CONSTRUCCIÓN, REHABILITACIÓN, MEJORAMIENTO O REFINANCIAS DE UNA O MAS RESIDENCIAS FAMILIARES.

ES ILEGAL, BAJO EL ACTO DE DISCRIMINACIÓN FINANCIERA DE RESIDENCIAS DE 1977, QUE UNA AGENCIA PÚBLICA CONSIDERE CUALQUIERA DE LO SIGUIENTE PARA DETERMINAR LA ELEGIBILIDAD, O LOS TÉRMINOS Y CONDICIONES, PARA PROVEER O PREPARAR AYUDA FINANCIERA:

1. CARACTERÍSTICAS DEL BARRIO (COMO LA EDAD PROMEDIA DE LAS CASAS O EL NIVEL DEL INGRESO EN EL BARRIO), EXCEPTO HASTA CIERTO PUNTO PARA EVITAR NEGOCIOS POCO FIRMES.
2. RAZA, SEXO, COLOR, RELIGIÓN, ESTADO CIVIL, ORIGEN NACIONAL, O ASCENDENCIA.

TAMBIÉN ES ILEGAL CONSIDERAR, CUANDO APRECIANDO UNA RESIDENCIA, LA COMPOSICIÓN RACIAL, ÉTNICA O RELIGIOSA DE UN BARRIO EN PARTICULAR O SI ESA COMPOSICIÓN ESTA CAMBIANDO O NO, O SI SE ESPERA CAMBIO.

SI UD. QUIERE REGISTRAR UNA QUEJA, O SI TIENE PREGUNTAS SOBRE SUS DERECHOS, POR FAVOR PÓNGASE EN CONTACTO CON:

DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING
(DEPARTAMENTO DE IGUALDAD EN EMPLEO Y VIVIENDA)
1900 MARIPOSA MALL, SUITE 130
FRESNO, CA 93721

TELÉFONO: 1-800-233-3212 Sin Cobro (Dentro de California) o 559-244-2950

Sitio del Internet: http://www.dfeh.ca.gov/Información_en_Español.htm

SI UD. REGISTRA UNA QUEJA, LA LEY REQUIERE QUE UD. RECIBA UNA DECISIÓN DENTRO DE TREINTA (30) DÍAS.

YO / NOSOTROS HE RECIBIDO UNA COPIA DE ESTA NOTICIA:

SOLICITANTE

FECHA

SOLICITANTE

FECHA

SOLICITANTE

FECHA

SOLICITANTE

FECHA

ESTA NOTICIA TIENE QUE SER IMPRESA EN LETRAS DE AL MENOS 10 PUNTOS TIPO SOBRESALIENTE



Attachment Eight: Building Inspection List

City of Visalia First Time Home Buyers Building Inspection List

05/03/16

Inspections listed are standard. Other inspections may be required.

Structural:

- Framework of house: Roofs, walls and foundation are checked for deflections or possible failures.
- Weatherproof; Walls are checked for holes. Doors and windows are checked for weatherproofing and for being able to open properly.
- No visible signs of mold. The structure should be clean.

Plumbing:

- Water Heaters; they must be properly secured by earthquake straps to and bottom of unit. Proper installation of TPR valve and venting.
- Faucets, toilets and sinks must be installed correctly with no leaks at interior or exterior.
- All vents should be properly installed. Cleanouts should be accessible and capped properly.
- Gas piping should be properly installed and secured.

Mechanical:

- ALL mechanical equipment should work properly; stove hoods, exhaust fans, heaters, A/C and evaporation units.

Electrical:

- All switches and outlets must have protective plate covers.
- **No** exposed wiring on outside or inside. All wiring must be in a protective conduit.
- If outlets are on an ungrounded system then they must have a two prong plug OR if a 3 prong outlet is used then a GFCI outlet at the head of the system or a GFCI breaker must be installed. This is the most frequent correction called for on this program.
- Check all outlets before calling for an inspection. Make sure the continuity is correct.
- The electrical panel box must have a "dead front" on it and properly label all breakers.
- Smoke Detectors are required in **all** bedrooms and rooms adjacent to bedrooms, i.e. hallways.
- Carbon Monoxide Detector required in front of bedrooms, i.e. hallways.

Doug Elliott Building Inspector 05/03/16

Attachment Nine: City Application

CITY OF VISALIA CALHOME REUSE FTHB LOAN PROGRAM APPLICATION

Note: This is an application to **Reserve funds only**. This application requires the review by the City of Visalia. A "Reservation Number" must be obtained. 1) Contact the City to verify the availability of funding; 2) submit application to the City; 3) the City of Visalia will review the preliminary information and will provide a reservation of funding number only. In order to receive the funds reserved, the applicant must meet all the program and underwriting guidelines. Upon a signed authorization through the "Final Loan Recommendation Forms", the funds will be deemed approved. Please refer to your program guidelines.

A. FAMILY INFORMATION (TO BE COMPLETED BY APPLICANT OR LENDER)

- FAMILY NAME _____
(As family will take title)
- CURRENT FAMILY ADDRESS _____
- CURRENT FAMILY TELEPHONE _____
- FAMILY GROSS INCOME _____
- FAMILY SIZE (# of persons) _____
Single (Single Person) _____ Small _____ Large _____ (Mark with an "X")

Tulare County Area Median Income – State Income Limits (HCD – for CalHome Reuse Program)

Tulare County Area Median Income	FY 2017 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
	Place an "X" in the box that applies to income ->	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Extremely Low	\$12,600	\$14,400	\$16,200	\$17,950	\$19,400	\$20,850	\$22,300	\$23,700
\$47,300	Very Low (50%) Income Limit	\$21,000	\$24,000	\$27,000	\$29,950	\$32,350	\$34,750	\$37,150	\$39,550
	Low (80%) Income Limit	\$33,550	\$38,350	\$43,150	\$47,900	\$51,750	\$55,600	\$59,400	\$63,250

State Annual Income is not to exceed the amount listed above, per number of persons in the household (HCD Income) Income information as of June 15, 2017. Income information changes; verify income at: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

- Has borrower owned a home as his/her principal residence in the past 3 years? YES _____ NO _____
 - Has borrower completed the required CalHome Reuse Home Buyer's program class? YES _____ NO _____
 - Buyer will be providing a three-percent (3%) down payment YES _____ NO _____
 - Buyer understands that (he/she/they) are applying for a CalHome Reuse funded second mortgage through the City of Visalia? YES _____ NO _____
- * Borrower(s) to initial their understanding (initials: _____)

9/6/2017

1 of 19

See attached instructions for the race & ethnic data reporting form (HUD-27061)

The following information is for statistical purposes only and is voluntary:			
Ethnicity (Select only one): <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic		Section of City Will be Residing Within: North East <input type="checkbox"/> North West <input type="checkbox"/> South East <input type="checkbox"/> South West <input type="checkbox"/>	
Race (Select one or more): White <input type="checkbox"/> Asian <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/>		No. People in household: One- <input type="checkbox"/> Two- <input type="checkbox"/> Three- <input type="checkbox"/> Four- <input type="checkbox"/> Five- <input type="checkbox"/> Six- <input type="checkbox"/> Seven- <input type="checkbox"/> Eight- <input type="checkbox"/>	
Annual Household Income: See above Income Categories: \$ _____ Annual income is based upon the Title 25, § 6914 definition		Gender: Male- <input type="checkbox"/> Female- <input type="checkbox"/> Female Head of Household: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Veteran: Yes- <input type="checkbox"/> No- <input type="checkbox"/>		Senior: Yes- <input type="checkbox"/> No- <input type="checkbox"/>	
		Handicapped/Disabled: Yes <input type="checkbox"/> No <input type="checkbox"/>	

B. HOUSE INFORMATION (TO BE COMPLETED BY REALTOR OR LENDER)

- IS THE HOUSE WITHIN THE VISALIA CITY LIMITS: YES _____ NO _____
(Cannot fund the loan if the property is not within the City of Visalia city limits)
- MAXIMUM PURCHASE PRICE (as of 3/1/2017): **\$196,000.00**
- SALE PRICE _____
NOTE: Sale Price cannot exceed 100% the current median sales price of a Single Family home in Tulare County per the State of California HOME Program Single-Family Maximum Purchase Price/After-Rehabilitation Value Limits found at: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/HOME-2016-Limits-Existing-Housing.docx>
- ADDRESS OF NEW HOME _____
- APPROXIMATE AGE OF HOUSE _____

If the home is built prior 1978, has the home been inspected for Lead Based Paint?

YES _____ NO _____ What results were found? _____

***** The "Lead Based Paint Visual Assessment, Notice of Presumption, and Hazard Reduction Form must be completed and provided to the City *****

OF BEDROOMS _____ # OF BATHROOMS _____

SQUARE FOOTAGE _____

- Has the Borrower been provided the pamphlet "Protect your family from lead in your home", read and signed the "Seller Lead-Based Paint Disclosure, Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards Lead Warning Statement?"
YES _____ NO _____ (Required to participate)
- Has the Seller, Sellers Agent and borrowers Agent Certified that they have read and signed the Seller Lead-Based Paint Disclosure, Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards Lead Warning Statement?
YES _____ NO _____ (Required to participate)
- Has the Borrower and Seller Read and signed the "Homebuyer Assistance Program Lead-Based Paint Contract Contingency" Statement? YES _____ NO _____ (Required to participate)

HAS THE HOUSE BEEN INSPECTED BY THE CITY OF VISALIA BUILDING DEPARTMENT FOR CODE COMPLIANCE? YES _____ NO _____

(Please call the City of Visalia Building Department at 713-4452 to request the inspection; a loan, if approved, may not be funded until the inspection is conducted and finalized. An Agency Authorization form must be signed by the existing property owner and may be obtained from the City of Visalia's website, under Community Development) www.visalia.city

- APN _____
- FLOOD ZONE: YES _____ NO _____

(If the property is in a flood zone, proof of insurance must be provided)

C. CITY PROGRAM ADDITIONAL DISCLOSURE AND ACKNOWLEDGEMENT DOCUMENTS REQUIRED

- Has the Borrower read and signed the "Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Declaration" YES _____ NO _____ **(Required to participate)**
- Has the Seller read and signed the "Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Acknowledgement" YES _____ NO _____ **(Required to participate)**

D. LOAN INFORMATION (TO BE COMPLETED BY REALTOR OR LENDER)

- REQUESTED CITY CALHOME REUSE LOAN AMOUNT (MAX \$38,000 SECOND POSITION LOAN) _____
- PRIMARY LOAN AMOUNT _____
- ESCROW # _____
- PAYMENT OF FIRST (30% of family income) _____
- INTEREST RATE OF FIRST LOAN _____
- TYPE OF LOAN: FHA _____ Conv _____ (check one)
- MORTGAGE LENDER _____
- LOAN OFFICER _____
TELEPHONE _____ FAX _____

BUYER'S REALTOR NAME _____
TELEPHONE _____

- SELLER'S REALTOR NAME _____
TELEPHONE _____
- TITLE COMPANY _____
- ESCROW OFFICER _____
TELEPHONE _____ FAX _____

E. REQUEST FOR FUNDING APPROVAL (TO BE COMPLETED BY ADMINISTRATOR)

- CALHOME REUSE FUNDED (2ND MORTG): YES ____ NO ____
- MAXIMUM LOAN OF \$38,000.00.
- CITY OF VISALIA PROJECT NUMBER _____
- FUNDS AVAILABLE AND RESERVED BY CITY FOR 60 DAYS: YES ____ NO ____

The application information provided by the buyer is true and correct. The buyer is applying for the City of Visalia CALHOME REUSE FTHB Loan program, to assist them in buying the house listed on this application.

BUYER SIGNATURE

DATE

BUYER SIGNATURE

DATE

The City of Visalia is requesting that this project be reviewed by AmeriNat, LLC, for a loan in the City's CALHOME REUSE FTHB Loan Program. Any questions, please call City of Visalia Housing at (559) 713-4460.

Reviewed by City of Visalia Staff

DATE

Lender will send this request, along with the primary loan package to AmeriNat Corporate office at:

8121 E. Florence Ave. Tel: (800)943-1988
Downey, CA 90240 Fax: (562)927-2362
Contact person is: Danny ext. 1209

Estimated Fees:

Processing	375.00	Loan Warehousing	80.00
Document Prep	175.00	Tax Service	125.00
Title Policy	100.00	CALHOME REUSE 2nd Trust Deed	

NOTE: Buyers income will be required to be verified by AmeriNat to confirm that it meets CALHOME REUSE Requirements

Attachment Nine, part one: City Application (continued)

HOME Program Eligibility Release Form

City of Visalia - Housing
315 E Acequia Ave, Visalia, CA 93291

Purpose: Your signature on this HOME Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

- HOME TBIRA Program
- HOME Homebuyer Program
- HOME Rental Rehabilitation Program
- HOME Homeowner Rehabilitation Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, state, and local agencies when relevant to civil, criminal, or regulatory investigations, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Information Covered: Inquiries may be made about items initialed by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Other (list)		
Dependent Deduction		
_____ Full-Time Student		
_____ Handicap/Disabled		
_____ Family Member		
_____ Minor Children		

Authorization: I authorize the above-named HOME Participating Jurisdiction and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.


Head of Household—Signature, Printed Name, and Date: Family Member #1

Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #2


Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #3

Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #4


Attachment Nine, part one

VERIFICATION OF: Employment	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Employment Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Employed since: _____ Occupation: _____</p> <p>Salary: _____</p> <p>Effective date of last increase: _____</p> <p>Base pay rate: \$ _____/Hour; or \$ _____/Week; or \$ _____/Month</p> <p>Average hours/week at base pay rate: _____ Hours</p> <p>No. Weeks _____, or No. Weeks _____ worked per year</p> <p>Overtime pay rate: \$ _____/Hour</p> <p>Expected weekly average number of hours overtime to be worked during next 12 months _____</p> <p>Any other compensation not included above (specify for commissions, bonuses, tips, etc.): For: _____ \$ _____ per _____</p> <p>Is pay received for vacation? ___ if yes, no. of days/yr. ___</p> <p>Total base pay earnings for past 12 mos. \$ _____</p> <p>Total overtime earnings for past 12 mos. \$ _____</p> <p>Probability and expected date of any pay increase: _____</p> <p>Does the employee have access to a retirement account? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, what amount can they get access to: \$ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and wilfully making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 107</p>	


Attachment Nine, part one

VERIFICATION OF: Income from Business	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Business Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Based on business transacted from _____ to _____</p> <p>1. Gross Income \$ _____</p> <p>2. Expenses</p> <p>(a) Interest on loans \$ _____</p> <p>(b) Cost of goods/materials \$ _____</p> <p>(c) Rent \$ _____</p> <p>(d) Utilities \$ _____</p> <p>(e) Wages/salaries \$ _____</p> <p>(f) Employee contributions \$ _____</p> <p>(g) Federal Withholding Tax \$ _____</p> <p>(h) State Withholding Tax \$ _____</p> <p>(i) FICA \$ _____</p> <p>(j) Sales tax \$ _____</p> <p>(k) Other: _____ \$ _____</p> <p>_____ \$ _____</p> <p>_____ \$ _____</p> <p>_____ \$ _____</p> <p>(l) Straight line depreciation \$ _____</p> <p>Total Expenses \$ _____</p> <p>3. Net Income \$ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 108</p>	


Attachment Nine, part one

VERIFICATION OF: Social Security Benefits	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Social Security Benefit Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Social Security Data</p> <p>_____ Date of birth</p> <p>_____ Gross monthly Social Security Benefit amount, type of benefit</p> <p>_____ Gross monthly Supplemental Security Income payment amount (including state supplement), type of benefit</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr style="border: 1px solid black;"/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 109</p>	


Attachment Nine, part one

VERIFICATION OF: Pension and Annuities	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Pension and Annuities income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Current monthly gross amount of pension or annuity \$ _____</p> <p>Deductions from gross for medical insurance premiums \$ _____</p> <p>Date of initial award _____</p> <p>Effective date of current amount _____</p> <p>Contributions to company retirement/pension fund \$ _____</p> <p>Amount received in a lump sum \$ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr style="border: 1px solid black;"/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 110</p>	


Attachment Nine, part one

VERIFICATION OF: Veterans Administration Benefits	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Veterans Administration Benefits income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Veteran: _____</p> <p>Address: _____</p> <hr/> <p>Claim No.: _____</p> <p>Date of Birth: _____</p> <p>Service Dates: _____ to _____</p> <p>Benefits Paid to: _____</p> <p>1. Current Benefit Amount \$ _____</p> <p>2. Original Start Date _____</p> <p>3. This amount will increase/ decrease to (circle one) \$ _____</p> <p> Date Change Takes Effect _____</p> <p>4. Benefits are for:</p> <p><input type="checkbox"/> GI Bill Training</p> <p><input type="checkbox"/> Insurance</p> <p><input type="checkbox"/> Service Connected Compensation Disability (%) _____</p> <p><input type="checkbox"/> Nonservice Pension Death</p> <p><input type="checkbox"/> Service Connected Compensation Death</p> <p><input type="checkbox"/> Other _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <hr/> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 111</p>	


Attachment Nine, part one

VERIFICATION OF: Unemployment Benefits	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Unemployment Benefits income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Benefits</p> <ol style="list-style-type: none"> 1. Are benefits being paid now? <input type="checkbox"/> Yes <input type="checkbox"/> No 2. If yes, what is Gross Weekly Payment? \$ _____ 3. Date of Initial Payment _____ 4. Duration of Benefits _____ weeks <p>Is claimant eligible for future benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <ol style="list-style-type: none"> 5. If yes, how many weeks? _____ weeks 6. If no, what is the termination date of benefits? _____
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1601 of the U.S. Code states that a person is guilty of a felony for knowingly and willfully making false or fraudulent statements to any department of the United States Government.</p>	
<hr style="border: 1px solid black;"/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 112</p>	


Attachment Nine, part one

VERIFICATION OF: Public Assistance Income																							
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Public Assistance Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Public Assistance Data</th> <th style="text-align: right; border-bottom: 1px solid black;">Rate per Month</th> </tr> </thead> <tbody> <tr> <td>Number in family: _____</td> <td></td> </tr> <tr> <td>Aid to Families with Dependent Children</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>General Assistance</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td colspan="2">Does this amount include court-awarded support payments? <input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>Amount specifically designated for shelter and utilities</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Other assistance—type: _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td style="text-align: center;">Total Monthly Grant</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Other income—Sources: _____</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Maximum allowance for rent and utilities (as-paid states)</td> <td style="text-align: right;">\$ _____</td> </tr> <tr> <td>Amount of public assistance received during past 12 months</td> <td style="text-align: right;">\$ _____</td> </tr> </tbody> </table>	Public Assistance Data	Rate per Month	Number in family: _____		Aid to Families with Dependent Children	\$ _____	General Assistance	\$ _____	Does this amount include court-awarded support payments? <input type="checkbox"/> Yes <input type="checkbox"/> No		Amount specifically designated for shelter and utilities	\$ _____	Other assistance—type: _____	\$ _____	Total Monthly Grant	\$ _____	Other income—Sources: _____	\$ _____	Maximum allowance for rent and utilities (as-paid states)	\$ _____	Amount of public assistance received during past 12 months	\$ _____
Public Assistance Data	Rate per Month																						
Number in family: _____																							
Aid to Families with Dependent Children	\$ _____																						
General Assistance	\$ _____																						
Does this amount include court-awarded support payments? <input type="checkbox"/> Yes <input type="checkbox"/> No																							
Amount specifically designated for shelter and utilities	\$ _____																						
Other assistance—type: _____	\$ _____																						
Total Monthly Grant	\$ _____																						
Other income—Sources: _____	\$ _____																						
Maximum allowance for rent and utilities (as-paid states)	\$ _____																						
Amount of public assistance received during past 12 months	\$ _____																						
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>																						
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>																							
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 113</p>																							


Attachment Nine, part one

VERIFICATION OF: Child Support Payments	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Child Support Payments made to all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Person Paying Child Support: _____</p> <p>Address of Person Paying Child Support: _____</p> <p>_____</p> <p>Support is for <input type="checkbox"/> his <input type="checkbox"/> her children. Name(s) of children being supported: _____</p> <p>_____</p> <p>Amount of support: \$ _____ <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Year</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 114</p>	


Attachment Nine, part one

VERIFICATION OF: Alimony or Separation Payments	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Alimony and Separation Payments made to all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Person Paying Alimony or Separation Payments: _____</p> <p>Address of Person Paying Alimony or Separation Payments: _____</p> <p>_____</p> <p>_____</p> <p>Name of person being supported: _____</p> <p>Amount of support: \$ _____ <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Year</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 115</p>	

Attachment Nine, part one

VERIFICATION OF: Recurring Cash Contributions	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Recurring Cash Contributions made to all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Purpose of Cash Contribution:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Amounts anticipated to be received during the next 12 months:</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p> <p>Date: _____ \$ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	
<hr/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 116</p>	

Attachment Nine, part one

VERIFICATION OF: Income from Military Service	
<div style="text-align: center;">  <p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> </div> <p>AUTHORIZATION: Federal Regulations require us to verify Military Service Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Years _____ and Months _____ of service for pay purposes.</p> <p>Income:</p> <p>Base and Longevity Pay \$ _____</p> <p>Proficiency Pay \$ _____</p> <p>Sea and Foreign Duty Pay \$ _____</p> <p>Hazardous Duty Pay \$ _____</p> <p>Subsistence Allowance \$ _____</p> <p>Quarters Allowance (include only amount contributed by the Government) \$ _____</p> <p>Number of dependents claimed _____</p> <p>Imminent Danger Pay \$ _____</p> <p>Other (explain): _____ _____ _____</p>
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

Technical Guide for Determining Income and Allowances for the HOME Program — 117

Attachment Nine, part one

VERIFICATION OF: Assets on Deposit				
<p>City of Visalia - Housing 315 E Acequia Ave, Visalia, CA 93291</p> <p>AUTHORIZATION: Federal Regulations require us to verify Assets on Deposit of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Checking Account No.</p> <p>_____</p>	<p>Average Monthly Balance for Last 6 Months</p> <p>_____</p>	<p>Current Interest rate</p> <p>_____</p>	
	<p>Savings Account No.</p> <p>_____</p>	<p>Current Balance</p> <p>_____</p>	<p>Current Interest Rate</p> <p>_____</p>	<p>Current Interest Rate</p> <p>_____</p>
	<p>Certificate of Deposit Account No.</p> <p>_____</p>	<p>Amount</p> <p>_____</p>	<p>Withdrawal Penalty</p> <p>_____</p>	
Retirement Savings (IRA, Keogh, 401(k))	<p>Account No.</p> <p>_____</p>	<p>Amount</p> <p>_____</p>	<p>Withdrawal Penalty</p> <p>_____</p>	<p>Current Interest Rate</p> <p>_____</p>
Money Market Funds	<p>Money Market Funds</p> <p>_____</p>	<p>Amount (Average 6-month Balance)</p> <p>_____</p>	<p>Interest Rate</p> <p>_____</p>	
<p>RELEASE: I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>			
<p>WARNING: Title 18, Section 1031 of the U.S. Code states that a person is guilty of a felony for knowingly and willfully making false or fraudulent statements to any department of the United States Government.</p>				
<hr style="border: 1px solid black;"/> <p>Technical Guide for Determining Income and Allowances for the HOME Program — 118</p>				

Attachment Nine, part one

VERIFICATION OF ASSETS DISPOSED

I/We certify that during the 2-year (24-month) period preceding the effective date of my certification or recertification of eligibility for program participation, I/we _____ have _____ have not disposed of more than \$1,000 in asset(s) for less than fair market value.

If asset(s) were disposed of for less than fair market value, describe:

Asset	Date of Disposition
1.	
2.	
3.	

Amount received for asset(s) disposed of:

- 1. _____
- 2. _____
- 3. _____

Signature of Applicant

Date

Signature of Spouse

Date

Attachment Nine, part one

RECORD OF ORAL VERIFICATION

APPLICANT INFORMATION

Re: _____

Address: _____

Date Received: _____

INFORMATION VERIFIED

Item Verified: _____

Person Contacted: _____

Representing: _____

INFORMATION SUPPLIED

Signature of Person Receiving Verification

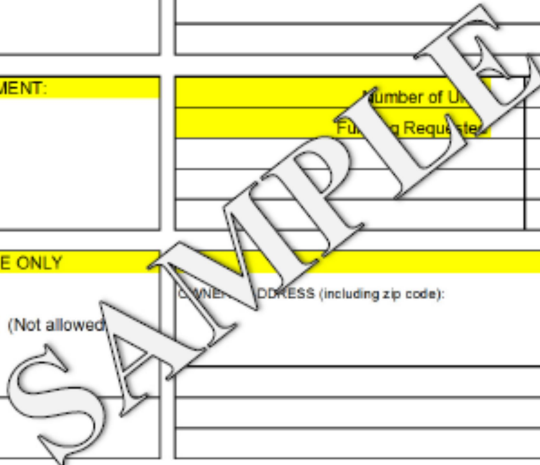
Date and Time

Technical Guide for Determining Income and Allowances for the HOME Program — 120

Attachment Nine, part two: Project Number Request (Pre-Funding Approval)

SUBRECIPIENT PROJECT NUMBER REQUEST

PROGRAM: <input type="checkbox"/> CalHome Reuse FTB - CalHome Reuse funded Homebuyer's Assistance <input type="checkbox"/> HAP - Homebuyer's Assistance <input type="checkbox"/> HRP - Housing Rehabilitation	ACTIVITY NAME (Property Owner): PROJECT ADDRESS (including zip code): 								
ENVIRONMENTAL ASSESSMENT: <input type="checkbox"/> A - Exempt <input type="checkbox"/> B - Category Excluded <input type="checkbox"/> C - Completed <input type="checkbox"/> D - Underway	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Number of Units</td> <td style="width: 50%;"></td> </tr> <tr> <td>Funding Requested</td> <td></td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	Number of Units		Funding Requested					
Number of Units									
Funding Requested									
HOMEBUYER'S ASSISTANCE ONLY									
<input type="checkbox"/> CHDO PROJECT <input type="checkbox"/> NEW CONSTRUCTION (Not allowed in CalHome program) <input type="checkbox"/> RESALE SALE PRICE OF HOME:	OWNER ADDRESS (including zip code): 								



Completed By _____ Date _____

Project Number Assigned _____ By _____ Date _____

Ethnicity Categories: Hispanic <input type="checkbox"/> Non-Hispanic <input type="checkbox"/> Female Head of Household <input type="checkbox"/> Family Size: Large (# <input type="checkbox"/>) Small (# <input type="checkbox"/>) Single <input type="checkbox"/>	Race Categories: White <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> Income: \$ <input type="checkbox"/> 30% of Median <input type="checkbox"/> Very Low Income <input type="checkbox"/> 80% Low-Income <input type="checkbox"/>	Elderly Yes <input type="checkbox"/> No <input type="checkbox"/> Veteran Yes <input type="checkbox"/> No <input type="checkbox"/>
--	--	--

Atch 9 prt 2 CalHome Reuse subrecipient project number request

Attachment Nine, part three: Requirement before Funding

Condition List & Pre-Qualification Loan Commitment

CONDITION LIST & PRE QUALIFICATION LOAN COMMITMENT

Loan Number:	Date Prepared: 3/19/2019
Applicant(s):	Property Address: ,

It is a pleasure to notify you that your application for a loan has been pre-qualified subject to meeting ALL guideline parameters and the following set forth below.

Amount and Terms

Amount of Loan: \$	Interest Rate: %	LTV: %
Terms / Due In: , months	Commitment Expires:	CLTV: (max 105%)
Lender: city of Visalia		

Repayment Terms

(X) Other: Due upon sale, no longer owner occupied, transfer of title, or all due in payable in months

All items must be received 7 working days prior to requesting Loan Documents & Final Loan Approval

- Property Approval** if home exceeds 3 BD 2 BA; Loan review committee must review property information prior to submitting an offer, send property information immediately!
- 3 Months Paystubs prior to docs**; OR 3 month printout from employer
- Verification of Rent Minimum 24-month verification needed**; if living with family, signed letter from homeowners, include name, address and phone number
- VOE (Verification of Employment(s))**; for all adult household members
- VOR (Verification of Rent) and proof of address for all household members**; for children, school transcripts, medical record or other document showing parent name and address is needed
- If single parent; Verification of child support or no child support**; income from county D.A.'s /divorce decree or child support order, to verify amount of income or lack of income
- Custody Verification of Minors**; for single parent, provide documentation of minimum 50% custody. Court Order, child support documentation or other document needed.
- 3 Years IRS Tax Transcripts and W2's**; Official IRS Tax Transcripts
- XX Tax Returns and W2's**;
- Cash At Home Letter/Budget sheet**; If using cash at home
- Gift letter and evidence of donors bank statement**; if using gift funds
- Bank Statements 3 months prior to docs**; Need all pages, for all accounts including checking, savings and 401K (all pages)
- Letter of Explanation – Bank Deposits**; Provide an explanation for all cash deposits in all accounts.
- Purchase Contract**; signed by both seller and buyer (for new construction foundation pour date must occur prior to the date of the purchase contract)
- Transfer Disclosure Statement**
- Escrow Instructions**; signed by all parties and amendments (if applicable)
- Preliminary Title Report/CC&R's**; Dated within 120 days
- Final 1003 - URLA** Signed by loan agent
- Underwriter Transmittal or MCAW Signed (CLTV-using the sales price and your total loan amount cannot exceed 105%)**
- Primary lenders Interest Rate Limit**; Interest rate cannot exceed 1% above Fannie Mae market, <https://www.fanniemae.com/singlefamily/historical-daily-required-net-yields>

PRIOR TO FUNDING CONDITIONS, following items may be received after docs:

- Termite Report and Clearance**; Section I and II items must all be completed prior to close of escrow
- City of Visalia Inspection/Clearance**; lender, owner or realtor to call city of Visalia Building Department and ask for a first time homebuyer inspection.
- Appraisal/Re-Inspection Clearance**;
- Final Closing Disclosure Final**
- Declaration from Buyer/Seller/Agent**; To be signed prior to docs
- Lead Based Paint Disclosure if built prior to 1978 buyer/seller/Agent**; To be signed prior to docs

Additional Conditions reviewed by Self Help Enterprises (continued)

- **Income from Assets**; Project any possible income from assets, 401-K, IRA, CD, etc.
- **Max ratio Limit 35/45%**; Cannot exceed 35/45%
- **Final Amount of Assistance**; Subject to change, if income/sales price/interest rate changes
- **VOE**; add any bonus, commission, OT, or anticipated pay increase.
- **Homeownership Counseling & Education**; Verify certificates of completion.
- **Vacant or seller occupied**; must be vacant for last 3 months or previous occupied by seller
- **CLTV-Combined loan to value**; use primary lenders total loan amount and sales price, cannot exceed 105%.

Commitment Issued By: _____

Date _____

Attachment Nine, part four: Sample Inspection Card

City of Visalia
Building Safety Division

INSPECTION CARD

INSPECTION REQUEST LINE: 713-4452 --- CALL THE DAY BEFORE YOU NEED YOUR INSPECTION

Calls after midnight will be scheduled for the next business day. The new system will require using a touch-tone phone. Mobile phones are acceptable.

To request your inspection key in the: PERMIT NO. --- INSPECTION ITEM NO. --- AM OR PM

Please write down your confirmation number.

Inspectors will initial and date this card as work is approved. Work shall NOT be covered until this card is initiated.

INSPECTIONS	DATE	INSPECTOR	INSPECTIONS	DATE	INSPECTOR	INSPECTIONS	DATE	INSPECTOR
Site/Lot Location 1			Wall Insulation 26			Way Prosch 43		
Sewer 2			Ceiling Insulation 27			Walk 44		
Undgrnd/Fir Plmb. 3			Sheetrock 30			Up Panels 45		
Undgrnd/Fir Mech. 4			Sheetrock Fire Wall 28			Man. Roofings 46		
Undgrnd/Fir Elect. 5			Sheetrock Shear Wall 29			At Lift 47		
ELEV CERT @ Foundation 16			Gas Test 18					
Foundation 7			Showers Pan/Lath 32			Wash En. Sure 48		
Slab 0			Mach. Pressure Test 80			Dr. Vetter Ties 88		
Piers/Columns 8			Roof Drains 46			Dr. Capping 52		
Floor Joist/Girder 9			T-Bar Elec. & Mech. 50			Septic Tank 53		
Und-Fir Insulation 10			Draft Stop 51			C.P. TR/Grease Trap 47		
Floor Sheathing 11			Slam 52			Pre-Well Demolition 54		
Holdsowns 12			Fire Caulk 53			Well Casing Demo 55		
Shear Wall 13			Fire Dam. Install 86			Well Concrete Cap 58		
Roof Sheathing 40			Fire Dam. Wall 87			Med Gas Materials 113		
Pre-Re Roof 39			Temporary E. 33			Med Gas Initial Test 114		
Metal Connectors 41			Temporary Power 34			Med Gas Vacuum 115		
Landscape H/WGLD Submittal 58			Temporary Power 35			Med Gas 24 Hr Test 116		
Braced Wall Panels 78			Final Steel Splicing 36			Med Gas Final 117		
Complete Frame 17			Underlayment 37					
Rough Plumbing 19			Deck 38					
Top Out Plumbing 20			Pool Blower 37					
Rough Mechanical 21			Pool Alarm 91					
Rough Electrical 22								
Rough Frame 23								
Exterior Lath 24								
Exterior Siding 25								

SAMPLE

Obtain a separate permit for concrete work on public right-of-way.

Ordinance No. 2570
The installation of downspouts and gutters, or gutters, sidewalks, & driveway approaches as a condition of this permit, must be complete prior to final inspection.

RESIDENTIAL PROJECTS	PHONE NUMBERS
Undgrnd Sprinklr Pipe/Test 70	Tulare Co Health Dept
Undgrnd Sprinklr Flush 89	STREET TREES 190
Overhead Sprinklr Test 49	ENGINEERING T.C.O. 64
Sprinkler Final Ringdown 76	PLANNING T.C.O. 66
Undgrnd Hydrant Pipe/Test 82	TEMP OCCPY ONLY 59
Undgrnd Hydrant Flush 93	FINAL-appears to code 109
Fire Damper Test 94	ELECTRICAL 103
Fire Alarm Test 71	PLUMBING 104
Smoke Detectors 41	MECHANICAL 105
Carbon Monoxide Alarms 57	LANDSCAPE 110
Hood Suppression Syst. 78	CODE COMPLIANCE 111
Knox Box 98	REDEVELOPMENT 108
Electrical Seal Offs 129	PLANNING 109
Fire Insp. Miscellaneous 77	ENGINEERING 101
	FIRE 102
	ELEVATION CERTIFICATE 112
	BUILDING 106
	CERT OF OCCUPACY 107

This inspection card becomes your Certificate of Occupancy when the FINAL inspection is Approved. Keep this card with your important papers as proof of permit and final.

INSPECTION REQUESTS: 713-4452
CANCELLATIONS: 713-4346
INSPECTORS from 7:30 a.m. to 8:00 a.m.: 713-4333

KEEP THIS CARD FOR YOUR REFERENCE

01/13/2015

Attachment Ten: Escrow Funding Request

City of Visalia CalHome Reuse First Time Homebuyers Program Escrow Funding Request Form

Escrow Funding Request

Project Name: _____
Project #: _____
Property Address: _____

Please issue a check from the CalHome Reuse-Funded 2nd
Mortgage Account #: _____

Payable to	Amount
Total	

- Authorized Fund Reservation Request
- Approved Final Loan Recommendation (FLR)

City of Visalia Staff Member _____

Date _____

Signature: Staff Member _____

Attachment Eleven: Underwriting Guidelines

Attached to the City of Visalia's Policy and Procedure Manual

**CITY OF VISALIA
CALHOME REUSE
FIRST TIME
HOMEBUYER
PROGRAM**

CITY OF VISALIA CALHOME REUSE FIRST TIME HOMEBUYER PROGRAM UNDERWRITING GUIDELINES

February 2019

A. PROGRAM GUIDELINES

- * The City may contract with a non-profit company to administer its program. Otherwise, the City will act as the Program Administrator.
- * Only existing single family dwellings & condos located within the incorporated limits of the City of Visalia are eligible
- * Maximum CalHome Reuse funded second mortgage loan: \$60,000.00, less activity delivery costs; and
- * Borrower must attend Homebuyer Education Training and receive a certification of completion. Training includes: preparing for homeownership, financing & credit analysis, loan closing & homeownership responsibilities, home maintenance & loan servicing.
- * CalHome Reuse Loan Term: thirty (30) years, deferred.
- * Maximum purchase price of property: The City and State impose a statutory limitation on the value of assisted properties. The State utilizes the maximum purchase price limits imposed on the Home Investment Partnership (HOME) Program by the U.S. Department of Housing and Urban Development. The guidelines, under Sections 7716 & 7727, indicate that the loan to value may not exceed 100% of the sales price plus a maximum of up to 5% of the sales price to cover actual non-recurring closing costs. However, the purchase price may not exceed the HOME 95% Limits. The State of California HOME Program Single-Family Maximum Purchase Price/After-Rehabilitation Value Limits are located at: <http://hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
- * Borrower to provide a minimum of 1.5% down payment of the sales price, and closing costs not covered by loan program (this must be from personal funds or by an FHA approved gift)
- * No prior home ownership within the last 3 years.
Depending on the first mortgage (i.e. FHA, CalHFA, VA, or

Conventional) and CalHome, certain exceptions apply. The applicant must meet the first mortgage underwriting criteria (FHA, CalHFA, VA, or Conventional) and the CalHome Reuse requirements. The lender is required to provide proof documentation that meets the first mortgage underwriting criteria and the City will evaluate based upon funding sources. In accord with the first mortgage and CalHome Reuse policy, the City will not move forward until confirming eligibility, if in question, and subject to any limitation to the City's funding sources.

- * Co-borrowers, other than co-occupants, are not permitted (this rule is included specifically to prohibit investors from utilizing qualified person to purchase a property for their own investment purposes and their financial gain.
- * Borrowers gross family income must be at or less than 80% of the Tulare County median income. (State Income Limits for Tulare County)

<http://hcd.ca.gov/grants-funding/income-limits/index.shtml>

NOTE: When referring to the State Income Guideline, use the "Low" Category, which is equal to 80% Median.

- * First mortgage must be a fixed rate loan; 1st mortgage, insurance, and taxes and calculation is based upon CalHome regulation, which is 12 month annualized income. Note: A requirement for the use of CalHome Reuse funds, the first mortgage lender mortgage shall not include provisions for principal increases, negative amortization, deferred interest, and balloon payments. Refer to CalHome requirements, Section 7731.
- * Only FHA, VA, or Conventional types of "fixed" first mortgage loans are authorized for the use of CalHome funds.
- * The First mortgage must include principle, interest, insurance and taxes (PITI) and must be at least 30% but no more than 35% of buyer's gross income.
- * CalHome Reuse funds cannot be used to pay off all or any portion of a borrower's consumer debt, liens or judgements.

- * The City's Administrator or Servicer will provide underwriting and document preparation services for CalHome Reuse First Time Buyer Program, funded by the City of Visalia. Resulting loans will be serviced by AmeriNat, according to its existing loan servicing contract with the City of Visalia.
- * Funds are from City of Visalia CalHome Reuse Program. The City would notify the parties involved, if different or additional funding sources were used.
- * Any Program changes also require review and approval by HCD.

B. PROCESSING OF LOANS

- a. The City or its Administrator reviews the complete application from lender and completes Subrecipient Project Number Request Form. Once funds are reserved, buyer has 60 days to complete escrow on an existing house, within City of Visalia city limits. Lender sends complete loan package to Underwriter for review and processing. ***(A copy of all information including the 1st mortgage documentation must be concurrently submitted to the City of Visalia.)***
- b. The Underwriter will underwrite the loan application as per CalHome regulations and, within 10 working days, provide to the City (by fax or email) a Final Loan Recommendation (FLR) to approve or deny the loan. If the loan is approved, the City of Visalia will forward final approval to Administrator for loan completion. Administrator will then provide an approval letter to the lender, which outlines the loan approval conditions.
- c. City approval (signed, returned FLR) authorizes Administrator to proceed with loan documentation preparation
- d. When problems arise on loan application packages, which need resolution or clarification, Administrator will:
 - Contact Lender Directly **and**
 - Copy City
- e. Loan Documents will be drawn by Underwriter and sent directly to the local title company.
- f. Standard documents to be completed by Underwriter (original documents to be held by City of Visalia, duplicates held by AmeriNat)
 1. Notice of right to cancel

2. Truth in Lending for CalHome Reuse funds
 3. Promissory Note for CalHome Reuse funds
 4. Deed of Trust for CalHome Reuse funds
 5. Loan Agreement (Covenant)
 6. Request for Notice
 7. Lender's Escrow Instructions (including Conditions to Close)
- g. Loan documents will be executed by the applicant with a local Title Company
- * Local Title Company will be responsible for insuring documents are properly recorded and City is in proper lien position according to Lender's Escrow Instructions
 - * One set of conformed copies of the recorded documents must be delivered to the City upon recordation.
 - * The original, recorded documents must be delivered to the City of Visalia.
 - * NOTE: The City must receive title insurance in the amount of the CalHome Reuse funded loan at close of escrow.
- h. Loan will be serviced by AmeriNat

C. LOAN PACKAGES. REQUIRED FORMS :

The Lender will complete funding commitment and forward loan package to Underwriter/Administrator (*A copy of all information must be concurrently received by City for applicant's file*) containing the following items:

1. City of Visalia Housing CalHome Reuse FTHB Loan Program Application and Reservation Request (Attachment Nine, Nine part one and part two) (must have a City project # and signed off by City Staff)
2. Statement of Household Composition to include, Names, Ages and Relationship for everyone who will occupy the household
3. Homebuyers Assistance Program Workshop Certificate of Achievement (mandatory) (Attachment One, part one)
4. Income Eligibility Form (titled: First Time Homebuyer, 80% of Tulare County Median Certification) (Attachment One, part two, including Part 5 income and worksheets)
5. Lenders Program Certificate of Participation (Attachment Two, part two)
6. Sellers Lead Based Paint Disclosure , disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards, Lead Warning

- Statement (Attachment Three)
7. Homebuyer Lead Based Paint Contract Contingency Language Acknowledgement (Attachment Four);
 8. Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Declaration (Attachment Five part one) *signed by borrower and their agent*;
 9. Disclosure to Seller with Voluntary, Arm's Length Purchase Offer Acknowledgement (Attachment Five, Part two) *signed by the Seller*;
 10. (Pre 1978 homes) Visual assessment must be performed; Paint stabilization must be completed (if applicable) and Safe work practices and clearance (*verification from Certified Lead Based Paint Inspector* (County) indicating conducted, assessed, abated, if applicable) (Lead Based Paint Visual Assessment, Notice of Presumption, and hazard Reduction Form LBP-1 (State of California HCD form) (Attachment Six: **must be completed if property built prior to 1978**)
 11. Flood Hazard Area Notice (Verification of Flood Zone and Insurance (if applicable) is required)
 12. Fair Lending Notice (Attachment Seven)

FIRST MORTGAGE (LENDER) FORMS:

1. Uniform Residential Loan application (1003), completed and signed
2. Preliminary Title Report
3. Appraisal - Must be received and meet the following CalHome Reuse requirements:
 - a. the appraisal shall be prepared by a State-licensed, residential property appraiser;
 - b. the appraisal shall use the sales of comparable properties approach to determine value; and
 - c. the maximum appraised home value at time of purchase shall not exceed the appraised value limit.

NOTE: A copy of the appraisal must be submitted to the City of Visalia via email or fax prior to city loan approval and a copy must be maintained in the loan file.
4. Loan Estimate (should include City loan fees)
5. Lender's Signed Underwriting Transmittal Worksheet (1008) or Mortgage Credit Analysis Worksheet (MCAW)
6. Credit Report
7. Three years signed and completed tax returns including W2's
8. Proof of Fire Insurance and Flood Insurance (if in flood zone) is required

NOTE: City requires that the borrower(s) maintain insurance on the property in an amount at least equal to the replacement value of the improvements; **and** City must be named as additional loss payee on the policy.

- * At the time of escrow closing, the City shall be named as an additional loss payee on fire, flood, if required, and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances

9. Copy of Escrow Instructions signed by seller/buyer
10. All appropriate verifications (**Note: City forms must be completed and signed**) including but not limited to:
 - a. VOE's (signed by employer and employee)
 - b. VOD's or Bank Statements (3 months complete bank statements or verification of deposits required (See attached verification forms)
 - c. Paystubs (most current; 2 months paystubs)
 - d. Gift letters and supporting documentation, where applicable
 - e. Explanation of derogatory credit
 - f. Pest Inspection (copy of inspection, if applicable, if required by first mortgage lender)

Lender to forward final approval to Administrator upon completion.

CITY FORMS:

- * **Proof of Code or Final inspection (Building Safety Division card)** of the sellers house by City of Visalia (lender, owner or Realtor must call City of Visalia Building Department and ask for a First Time Homebuyer Inspection) (**Attachment Eight**)

IV. UNDERWRITING CRITERIA for loans

A. Completed City of Visalia Program Application including loan package forms for CalHome Reuse program and complete first mortgage package.

- CalHome Reuse second position loan maximum: \$60,000, less activity delivery
- 30 year deferred loans
- 1% simple interest, annum city loans
- Deed of Trust, Note, and Truth in Lending documents required, including Request for Notice.
- Details of repayment- See Note & Truth In Lending Documents

B. Residence Requirements:

- Property must be within the City of Visalia city limits
- Single Family Dwelling, ready for occupancy (if previously rented, must have been vacant for at least four (4) months)
- If built prior to 1978, lead-based paint inspection must be completed.
- Property must pass City of Visalia Building Code Inspection

C. Borrower Qualifications:

- City to provide median family income amounts annually for program eligibility requirement.
- Maximum liquid assets are to be reported only
- Actual loan calculations are based on gross annual income of the family (Income determination will be based on Title 25 Section 6914)
- Maximum income 80% of AMI adjusted for family size (See HUD State Income Limits for Tulare County)

<http://hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

NOTE: When referring to the State Income Guideline, use the "Low" Category, which is equal to 80% Median.

- 1.5% (of the sales price) down payment or an FHA or Conventional approved gift
- Debt Ratio Requirements:
 - FHA approved debt ratios
 - *Program guideline maximum debt ratios of 30%/45%, Loan Committee will review for final recommendation if over the guidelines, even with FHA approved debt ratios.*
 - First mortgage with insurance and taxes (PITI) must be at least 30% but not more than 35% of buyer's gross income.
- Credit Report:
 - Credit report information may be verified through the City of Visalia's Trans Union Account if not verified through Underwriter.
 - Derogatory accounts are not acceptable as per CalHome requirements, and
 - If derogatory closed accounts in the past three years are identified, an explanation must be provided & noted on file
 - No bankruptcies within the past two years
 - No established credit is acceptable if borrower has approved proof of timely payments of utilities, rents, or other fixed monthly obligations. Documentation of at least three (3)

months' worth of most recent statements showing no late or missing payments; *Examples are as follows: Rental payments: rental rating from the landlord or rental agency, canceled checks or rent receipts covering the most recent twelve (12) month period; automobile insurance payments showing current and not late or missing payments or other personal loans with canceled checks and a letter stating that the payments have been made on time.*

D. Terms of Promissory Note

- Lowest trust deed position for CalHome Reuse: 2nd
- Maximum CalHome Reuse Second Loan amount up to \$60,000.00, less activity delivery costs
- Term deferred loan component: 30 years
- Subordination not allowed.
- Due on sale or transferable to another income qualified buyer
- Loan is not forgivable
- Loan is not assumable
- Impounds are required by City of the first mortgage
 - Confirmation and verification of Fire Insurance (and flood insurance, if applicable) must be provided with the following requirements:
 - The City must receive title insurance in the amount of the CalHome Reuse funded loan at close of escrow.

E. Preparing for Closing of Escrow

- Prior to the closing of escrow, confirmation of any cash out to borrower must be identified. As per CalHome regulations, any cash out of escrow to the borrower(s) are limited to the amount deposited into escrow by the borrower(s) and not needed for any lender-required minimum down-payment.
- Confirm that the borrower has obtained the maximum primary loan with a term and interest rate from the Primary lender consistent with affordable housing costs.
- Confirm that fees and charges for financing are consistent with usual and customary market fees and charges for such financing in the area.
- Review the Preliminary Title Report for correct property address and legal description, review for unallowable exceptions, exceptions requiring an endorsement and proposed vesting of the borrower.

- Review Primary lender's escrow instructions for their requirements with regard to what exceptions may show on the CLTA and ALTA policies or any endorsements they are requesting (example: endorsements regarding CC& R's and unlocated easements. The City's requirements regarding unallowable exceptions and endorsements should match the Primary Lender's requirements in this regard.
- Review property taxes and insurance amounts for accuracy. The Primary Lender is required to collect and manage impound accounts for payment of taxes, assessments and hazard insurance for the term of the primary loan.
- When Primary Lender requirements are met and City Program requirements are met, at the end of escrow, Program funds are deposited into escrow, with required closing instructions and loan documents.

V. CONTACT PERSON

Application and Document Submission

Self-Help Enterprises

Attn: Shadie Garcia

8445 W. Elowin Court

Visalia CA 93291

Or email: shadieq@selfhelpenterprises.org

Concurrent copies to:

City of Visalia Finance Department

707 W Acequia Ave, Visalia, CA 93291 Tel: (559) 713-4337

E-mail: paula.maestaz@visalia.city

Copy to: rhonda.haynes@visalia.city

Attachment Twelve: Escrow Instructions

**CITY OF VISALIA
CALHOME REUSE FIRST TIME HOMEBUYER LOAN PROGRAM
ESCROW INSTRUCTIONS***

DATE: _____

TO: _____

FROM: _____

RE: Escrow No. _____
Escrow Officer: _____
Buyers: _____
Property Address: _____
City of Visalia CalHome Reuse Loan Number: _____

IMPORTANT: Borrower(s) cannot receive any cash back out of escrow. Prior to disbursement, escrow officer must contact the City of Visalia, the undersigned for written instructions regarding any cash back to borrower(s) from the escrow. If the borrower receives unallowable cash back, it must be collected from the borrower and credited as a principal reduction to the CalHome Reuse loan.

1. With regards to the above escrow, we (AmeriNat.) are enclosing the following documents:
 - a. CalHome Reuse Funded (second lien) First-Time Homebuyer Promissory Note in the amount of \$ _____
 - b. CalHome Reuse funded First Time Homebuyer Deed of Trust (second position loan)
 - c. Request for copy of Notice of Default or Sale
 - d. CalHome Reuse Deferred Loan Payment Agreement
 - e. CalHome Reuse Truth In Lending
 - f. List of any other documents: _____
2. Have a borrower execute the above referenced documents, where appropriate, and provide a copy to the borrower. Notarize the appropriate documents.
3. Record the City of Visalia CalHome Reuse Deed of Trust in second lien position to the **(name of First Lien Holder: _____)** Deed of Trust in the amount of \$ _____.
4. Complete and record the City of Visalia's Request for Copy of Notice of Default or sale pertinent to senior loan.
5. Please provide the City of Visalia a copy of a Lender's ALTA Policy in the amount of the City's second loan. The ALTA Policy shall include 100, 116 & 8 endorsements (or whichever endorsements you or the first lender are requiring), showing fee title to the Property vested in the borrower's name, subject only to taxes and assessments not delinquent and with the following exceptions only _____, as set forth in the Preliminary Title Report issued by you on _____ (date) and with the following escrow number _____.
6. Provide the City of Visalia with a policy of hazard insurance on the Property, in an amount sufficient to cover all indebtedness on the Property and showing the City of Visalia, 315 East Acequia, Visalia, CA 93291, as a second and third mortgagee (loss payee).
7. _____ If checked, provide the City with a policy of flood insurance coverage in an amount sufficient to cover all indebtedness on the Property and showing the City of Visalia, 315 East Acequia, Visalia, CA 93291, as a second and third mortgagee (loss payee).
8. Upon close of escrow, please return the City of Visalia's loan documents along with a certified copy of the Settlement Statement.

Should you have any questions, please contact me at _____, or fax number _____.

Sincerely,

Enclosures

Attachment Thirteen: Deed of Trust

RECORDING REQUESTED BY:

Community Development Division

AND WHEN RECORDED MAIL TO:

City of Visalia
315 E. Acequia Avenue
Visalia, CA 93291

This Deed of Trust is recorded at the request and for the benefit of the City of Visalia and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

CALHOME REUSE FIRST TIME HOMEBUYER PROGRAM DEED OF TRUST AND ASSIGNMENT OF RENTS

NOTICE TO BORROWER THIS DEED OF TRUST CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS

THIS DEED OF TRUST is made this _____ day of _____, 2017, by _____ (the "Borrower") and **AmeriNat, LLC.** (herein "Trustee"), whose business address is **8121 E Florence Avenue, Downey, California 90240** in favor of **City of Visalia**, a Municipal Corporation organized and existing under the laws of the State of California whose address is **315 E. Acequia, Visalia, CA 93291** (herein "Lender").

1. **BORROWER, in consideration of the indebtedness herein recited and the trust herein created, hereby irrevocably grants, transfers and assigns** to Trustee, in trust, with power of sale, and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located at _____ **Visalia, California,** in the County of Tulare, and the State of California, which is more particularly described in Exhibit 'A' (attached) which is incorporated herein by this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property; all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.
2. **FOR THE PURPOSE OF SECURING:**
 - 2.1. Repayment of the indebtedness evidenced by that certain Promissory Note of the Borrower dated _____, 20__, and entitled **CITY OF VISALIA CALHOME REUSE FIRST TIME HOMEBUYER PROGRAM** Promissory Note "Loan No. _____" (the "Note") of the Borrower in the principal amount of _____ Dollars (\$_____), together with simple interest on

such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note. The Note and this Deed of Trust are subject to the terms, conditions, and restrictions of the State of California CalHome Reuse Program as set forth in the Health and Safety Code section 50650 et seq. and implementing guidelines or regulations adopted by the California Department of Housing and Community Development, all of which are hereby incorporated by reference.

2.2. Payment of such additional sums, with interest thereon:

- 2.2.a. As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note; and
- 2.2.b. As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of trust and any modification, extension, or renewal of this Deed of Trust; and
- 2.2.c. As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.

2.3. Performance of each obligation, covenant, and agreement of Borrower contained in the Deed of Trust, the Note, or any other document executed by Borrower in connection with the loan(s) secured by this Deed of Trust, and all amendments to these documents whether set forth in this Deed of Trust or incorporated in this Deed of Trust by reference.

3. BORROWER COVENANTS

Borrower hereby covenants to maintain and protect the security of this Deed of trust, to secure the full and timely performance by borrower of each and every obligation, covenant, and agreement of Borrower under the Note and this Deed of Trust, and as additional consideration for the obligation(s) evidenced by the Note, Borrower covenants as follows:

- 3.1. **Title:** That Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property against all claims and demands subject to any declarations, easements, or restrictions listed in the schedule of exemptions to coverage in any title insurance policy insuring Lender's interest in the Property.
- 3.2. **Payment of Principal and Interest.** That Borrower shall promptly pay, when due, the principal and interest on the Note, and such other charges as are provided in the Note, and such other amounts as are provided under this Deed of Trust.
- 3.3. **Maintenance of the Property.** (a) To keep the Property in a decent, safe, sanitary, tenable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or

legal classification which affects any of the Property without the Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of the Lender.

- 3.4. **Appear and Defend.** Borrower shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Lender or Trustee may appear, and in any suit brought by the Lender to foreclose this deed.
- 3.5. **Payment of Taxes and Utility Charges.** Borrower shall pay, at least ten (10) days before delinquency, all taxes and assessments affecting the Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, fines and impositions attributable to the Property, leasehold payments or ground rents, if any, and any interest on the Property or any part thereof; all costs, fees and expenses of this trust. Borrower shall make such payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and Borrower shall promptly furnish to Lender receipts evidencing all such payments made.
- 3.6. **Insurance.** To keep the Property insured, with loss payable to the Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies on such forms and in the amount of the replacement cost of the Property, and to deliver the original of all such policies to the Lender, together with receipts satisfactory to the Lender evidencing payment of the premiums. All such policies provide that the Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the Lender, shall be delivered to the Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form of legal sufficiency of such insurance, or solvency of any insurer for payment of losses. All insurance proceeds for such losses must be utilized for the repair or restoration of the insured property.
- 3.7. **Payments and Discharge of Liens.** Borrower will pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and Borrower shall post security for the payment of these contested claims as may be requested by the Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

4. **IT IS MUTUALLY AGREED THAT:**

- 4.1. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Section 2.1 shall be applied by Lender first to interest payable on the Note and then to the principal due on the Note.

- 4.2. **Future Advances.** Upon request by Borrower, Lender (at Lender's option) may make future advances to Borrower. All such future advances, with interest thereon, shall be added to and become a part of the indebtedness secured by this Deed of Trust when evidenced by promissory note(s) reciting that such note(s) are secured by this Deed of Trust.
- 4.3. **Disbursements to Protect Lender's Security.** All sums disbursed by Lender to protect and preserve the Property, this Deed of Trust, or Lender's security for the performance of Borrower's obligations under the Note shall be and be deemed to be an indebtedness of Borrower secured by this Deed of Trust.
- 4.4. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankruptcy or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.
- Any amount disbursed by Lender pursuant to this Section 4.4, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section 4.4 shall require Lender to incur any expense or take any action hereunder.
- 4.5. **Inspection.** Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any such inspection specifying reasonable cause for the inspection.
- 4.6. **Awards and Damages.** All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the Lender. The Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Lender shall determine at its option. The Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Lender may be released to Borrower upon such conditions as the Lender may impose for its disposition. Application of all or any part of the amounts collected and received by the Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is

authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

- 4.7. **Prohibition on Transfers of Interest.** With the exception of the transfers permitted in Section 4.11 below, if all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Section 6.9 hereof. Such notices shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by section 5.2 (a) hereof.
- 4.8. **Sale or Forbearance.** No sale of the Property, forbearances on the part of the Lender or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.
- 4.9. **The Lender's Rights to Release.** Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) the Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness, (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.
- 4.10. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.
- 4.11. **Requirement of Owner-occupancy and Permitted Transfers.** Borrower shall occupy the Property as Borrower's principal place of residence during the term of the Note. Notwithstanding any other provision of the Note or this Deed of Trust, the following transfers shall not be deemed to be a default under the Note or this Deed of Trust:
- 4.11.a. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
 - 4.11.b. A transfer of the Property where the spouse becomes an owner of the property;
 - 4.11.c. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
 - 4.11.d. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. EVENTS OF DEFAULT

5.1. **Events of Default.** Any one or more of the following events shall constitute a default under this Deed of trust (a) failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust including but not limited to the occupancy of property by Borrower provision; or (c) the occurrence of any event which, under the terms of the Note, shall entitle the Lender to exercise the rights or remedies thereunder; or (d) the occurrence of any event which, under the terms of the First Note and First Deed of Trust shall entitle the Lender to exercise the rights or remedies thereunder.

5.2. **Acceleration and Sale.**

5.2.a. **Acceleration.** Except as provide in Section 4.7, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, upon Borrower's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note, Lender shall mail notice to Borrower as provide in Section 6.9 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect from the borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provide in this paragraph, including, but not limited to, reasonable attorney's fees.

5.2.b. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceeding begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of the judgment enforcing this Deed of Trust if: (1) Borrower pays Lender all sums which would be then due under this Deed of trust and the Note, had no acceleration occurred; (2) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of trust, remedies including, but not limited to, reasonable attorney's fees; and (3) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

- 5.2.c. **Sale.** After delivery to Trustee of a Notice of Default and Demand for Sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provide in this Deed of trust, the secured obligations or any other such instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.
- 5.2.d. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** Upon acceleration under paragraph (a) of Section 5.2 hereof or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property (if any) including those past due. All rents collected by Lender or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be liable to account only for those rents actually received. The provisions of this paragraph and paragraph (a) of Section 5.2 shall operate subject to the claims of prior lien holders.
- 5.3. **Exercise of Remedies; Delay.** No exercise of any right or remedy by the Lender or trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.
- 5.4. **Trustee Substitution.** The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the Lender, to be exercised at any time hereafter, without specifying any reason therefore by filing for record in the officer where this Deed of trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trust and duties of the predecessor in the trust hereunder, with the like effect as if originally names as trustee or as one of the trustees.

- 5.5. **Remedies Cumulative.** No remedy herein contained or conferred upon the Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

6. **MISCELLANEOUS PROVISIONS**

- 6.1. **Successors, Assigns, Gender, Number.** The covenants and agreements contained in this Deed of Trust shall bind, and the benefit and advantages under it shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.
- 6.2. **Headings.** The headings are inserted only for convenience or reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.
- 6.3. **Actions on Behalf of the Lender.** Except as otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the Lender is required or permitted under this Deed of Trust, such action shall be in writing.
- 6.4. **Terms.** The words "the Lender" means the present Lender, or any future owner or holder, including pledge of the indebtedness secured hereby.
- 6.5. **Obligations of Borrower.** If more than one person has executed this Deed of trust as "Borrower," the obligations of all such persons hereunder shall be joint and several.
- 6.6. **Incorporation by References.** The provisions of the CalHome Reuse Program security instruments and the documents relating to that program are incorporated by reference as though set out verbatim.
- 6.7. **Severability.** If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.
- 6.8. **Indemnification.** Borrower will indemnify and hold the Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with the Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result of any legal action arising out of this Deed of Trust.
- 6.9. **Notice.** Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower

designates by notice to Lender as provided herein; and, (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's mailing address stated herein or to such other address as Lender may designate by notice to Borrower as provide herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.

- 6.10. **Beneficiary Statement.** Lender may collect a fee for furnishing the beneficiary statement in an amount not to exceed the amount as provide by Section 2943 of the Civil Code of California.
- 6.11. **Use of Property.** Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above.

SAMPLE

Borrower:

Borrower:

MAILING ADDRESS FOR NOTICES:

(street)

(City) (State) (Zip)

Attachment Fourteen part one: Promissory Note

CITY OF VISALIA CALHOME REUSE FIRST TIME HOMEBUYER PROGRAM PROMISSORY NOTE

NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS AND IS SECURED BY A SECOND
DEED OF TRUST ON RESIDENTIAL PROPERTY

Loan No. _____

\$ _____, 20____

FOR VALUE RECEIVED, the undersigned,
_____ (the "Borrower") hereby
promises to pay to the order of _____ ("Lender") at the following
address _____ or at such other places as the
holder may from time to time _____ designate by written notice to
Borrower, in lawful money of the United States, the sum of
_____ Dollars (\$ _____) with simple interest
at the rate of three-percent (3%) per annum on the unpaid principal balance from the date of this
Note, until paid. The obligation of the Borrower with respect to this Note is secured by that
certain CalHome Reuse First-Time Homebuyer Program Deed of Trust Loan
No. _____ (the "Deed of Trust"), and executed by the Borrower concurrently herewith.

- 1. Borrower's Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "CalHome Reuse Loan") to finance the purchase of that certain real property (the "Property"), which has the address of _____, Visalia, California, _____
(Street) (Zip)
- 2. Borrower(s) Acknowledge(s) and Agrees:** that the CalHome Reuse Loan is subject to the terms, conditions, and restrictions of the State of California CalHome Reuse Program as set forth in Health and Safety Code section 50650 et seq. and implementing guidelines or regulations adopted by the California Department of Housing and Community Development, all of which are hereby incorporated by reference.
- 3. Repayment of Loan Principal and Interest.** No periodic payments are required hereunder. Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:
 - a) 30 years from the date of this Note; or
 - b) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 4; or
 - c) Upon the maturity date, or full repayment, of any debt that is secured by a lien on the Property that is senior to the Deed of Trust; or
 - d) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence.
- 4. Permitted Transfers.** The CalHome Reuse Loan is not assumable except under the following limited circumstances:

- a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
 - b) A transfer of the Property where the spouse becomes an owner of the property;
 - c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
 - d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.
5. **Acceleration of Payment.** The principal amount of this loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:
- a) In the event of a default under the terms of this Note or the Deed of Trust;
 - b) In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence; or
 - c) In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 4 of this Note.
6. **Effect of Due-on Sale Clause.** Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 5 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.
7. **Place and Manner of Payment.** All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.
8. **Application of Payments.** All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.
9. **Attorney's Fees.** The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.
10. **Default and Acceleration.** All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of three-percent (3%) per annum, upon the failure of the Borrower to make any payment hereunder as when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which

under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.

- 11. Notices.** Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.
- 12. Prepayment Policy:** Borrower may prepay this Note at any time without penalty.
- 13. Governing Law.** This Note shall be construed in accordance with and be governed by the laws of the State of California.
- 14. Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
- 15. No Waiver by the Lender.** No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in a taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
- 16. Successors and Assigns.** The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at _____, California
(City)

(Borrower)

(Borrower)

Mailing Address for Notices:

Attachment Fourteen Part Two: Note Rider

CITY OF VISALIA CALHOME REUSE FIRST TIME HOMEBUYER PROGRAM



Equal Opportunity Lender

NOTE RIDER

Borrowers Names: _____

Property Address _____ City State _____ Zip Code _____

This Note Rider is attached to and made a part of the Note dated _____
made payable to the City of Visalia as Lender and executed by Borrower.

1. Borrower agrees to the provisions of this Note Rider in addition to those of the Note.
2. My payments will commence in accordance with paragraph 3 of the Promissory Note.
3. If I make a sale or transfer, or if the Property is no longer my principal place of residence as described in paragraph 4 and 6 of the Note, then the Lender has the right to accelerate (call due) the loan, if such sale or transfer is made within the thirty (30) year period following the date of the Note.
4. I will be responsible for completing and returning the annual verification of occupancy (Affidavit of Owner).

NOTICE TO BORROWER:

Do not sign this Note Rider if it contains blank spaces. All spaces should be completed before you sign.

Borrower

Borrower

Attachment Sixteen: Loan Agreement

LOAN NUMBER _____

**CITY OF VISALIA
CALHOME REUSE FTHB PROGRAM
DEFERRED PAYMENT LOAN AGREEMENT**

This Agreement is entered on _____, 2017 by _____ and between CITY OF VISALIA, 315 East Acequia, Visalia, California, hereinafter referred to as "CITY" and _____, hereinafter referred to as "BORROWER" who is purchasing property located at _____ Visalia, California; Tulare County, hereinafter referred to as "PROPERTY," which is more particularly described in Exhibit A (attached) which is incorporated herein by this reference. This Agreement is made for the purpose of assisting BORROWER with the purchase of the aforementioned property by providing to BORROWER a Deferred Payment Loan, hereinafter referred to as "LOAN."

THEREFORE, CITY OF VISALIA AND BORROWER AGREE AS FOLLOWS:

1. DEFERRED LOAN REQUIREMENTS

1.1. CITY agrees to loan to BORROWER the amount of _____ and 00/100 (\$00.00) for the purpose of purchasing said PROPERTY. The LOAN shall be a three percent (3%) simple interest rate per annum. No periodic payments are required hereunder. BORROWER agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of 30 years from the date of this Note; or Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 4 of the Note; or Upon the maturity date, or full repayment, of any debt that is secured by a lien on the Property that is senior to the Deed of Trust; or Upon Borrower's failure to occupy the Property as Borrower's principal place of residence executed by BORROWER concurrently herewith. BORROWER, with the approval of CITY and without the payment of penalties or premiums to CITY, may make periodic payments to CITY for the purpose of diminishing LOAN principal.

1.2. Deliverables Prior to loan closing, BORROWER shall deliver to CITY the following documents:

(a) A duly executed and binding Promissory Note for the LOAN amount stated heretofore in Paragraph 1.1. Such Promissory Note shall be payable to, and in a form approved by CITY.

(b) A duly executed, legally binding and recordable security over the property. Said security shall give CITY the best available lien over the property to protect CITY'S interests under this Agreement, and shall be in a form approved by CITY.

(c) Insurance certificate(s) evidencing coverage for loss or damage by fire and other such hazards, casualties and contingencies in an amount adequate to cover all encumbrances on the property and an original endorsement naming CITY as loss payee.

1.3. Owner Occupancy Requirement BORROWER agrees to reside on PROPERTY continuously for THIRTY (30) years from the date of loan closing. Residency by a non-borrower family member does not meet the requirements hereunder. If

BORROWER no longer occupies the PROPERTY as their primary residence, the LOAN shall become immediately due and payable,

1.4. Loan Acceleration. LOAN principal and interest shall become immediately due and payable at such time as either: (1) BORROWER fails to maintain continuous residence on PROPERTY in accordance with Paragraph 1.3 or; (2) Title to PROPERTY is transferred through sale or otherwise, from BORROWER to another party; or (3) BORROWER fails to maintain insurance as required in Paragraph 4.1; or (4) in the event that the BORROWER shall cease to occupy the PROPERTY as BORROWER'S principal place of residence; or (5) in the event of any sale, transfer, lease, or encumbrance of PROPERTY without Lender's prior written consent in violation of Paragraph 4 of the Note; or (6) BORROWER fails to pay taxes, assessments or utility charges as required by Paragraph 5. If CITY exercises said option to accelerate, CITY shall mail BORROWER notice of acceleration in accordance with Paragraph 15 hereof. Such notice shall provide a period of thirty (30) days from the date the notice is mailed within which BORROWER may pay sums declared due. If BORROWER fails to pay such sums prior to the expiration of such period, CITY may, without further notice or demand on BORROWER, invoke any remedies permitted by law.

1.5 Transfer of Property. The following transfers shall not be deemed to be a default under this Agreement:

- (a) The transfer of PROPERTY to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- (b) A transfer of PROPERTY where the spouse becomes an owner of the property.
- (c) A transfer of PROPERTY resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the property.
- (d) A transfer to an inter vivos trust in which BORROWER is and remains the beneficiary and occupant of the PROPERTY.

1.6. Reconveyance. At such a time as LOAN has been paid in full or fully waived, BORROWER shall be responsible for executing a Reconveyance of PROPERTY. BORROWER shall pay all costs of recordation, if any.

2. LOAN CLOSING

The date of loan closing shall be the date upon which escrow is closed.

3. DURATION

If BORROWER abides by all covenants contained herein, the LOAN amount stated heretofore in Paragraph 1.1 will be due and payable in full thirty (30) years from the date of the NOTE executed concurrently herewith.

4. INSURANCE

4.1. BORROWER shall maintain insurance against loss or damage by fire and such other hazards, casualties and contingencies adequate to cover all encumbrances on the PROPERTY. CITY shall be designated as loss payee for the amount of the LOAN. A statement of loss payee shall be forwarded to CITY and included in BORROWER'S file.

4.2. In areas designated by the Department of Housing and Urban Development (HUD) or Housing and Community Development (HCD) as flood prone, BORROWER shall

be required to maintain flood insurance in an amount equal to secure LOAN. The flood insurance policy must designate CITY as loss payee.

4.3. All insurance policies must include provisions for thirty (30) day advance, written notification to CITY in the event said insurance is cancelled, amended, expired or terminated. Renewal policies and any replacement policies must be provided to CITY at least thirty (30) days prior to the cancellation or expiration of existing policies.

4.4. This agreement requires that all insurance be provided by an insurer licensed and admitted to do business in the State of California.

5. PAYMENT OF TAXES AND UTILITY CHARGES

BORROWER shall pay, at least ten (10) days before delinquency all taxes and assessments affecting the PROPERTY, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, fines and impositions attributable to the PROPERTY. BORROWER shall make such payments when due, directly to the payee thereof. BORROWER shall promptly furnish, when requested by CITY, all notices of amounts due under this paragraph. BORROWER shall furnish, when requested by CITY, receipts evidencing all such payments made.

6. MAINTENANCE OF PROPERTY

BORROWER shall be required to maintain PROPERTY in a good state of repair and in a sanitary and tenable condition. BORROWER shall also maintain PROPERTY in compliance with CITY's building code.

7. HEADINGS

The headings in this Agreement are inserted only for convenience of reference and in no way define, limit or describe the scope or intent of this Agreement, or of any particular provision thereof, or the proper construction thereof.

8. ASSIGNMENT OR ALTERATION

8.1. This Agreement is not assignable by BORROWER, either in whole or in part, without the prior written consent of CITY.

8.2. No alteration or variation of the terms of this Agreement shall be valid unless and until made in writing and signed by all parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties to this Agreement.

9. INDEMNIFICATION

BORROWER will indemnify and hold harmless CITY, its officers and agents against any and all losses, claims, demands, penalties and liabilities which CITY, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Agreement and not assert any claim against CITY, its officers or agents by reason of any action taken or so omitted. BORROWER shall, at BORROWER'S expense, defend, indemnify, save and hold harmless CITY, its officers and agents from any and all claims, demands, losses, expenses, damages (general, punitive and otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Agreement and BORROWER shall pay CITY upon demand of all claims, judgements, damages, losses or expenses (including reasonable legal expense) incurred by CITY as a result of any legal action arising out of this Agreement.

10. TERMINATION FOR DEFAULT

10.1. If BORROWER fails to perform the covenants herein contained, and in the manner herein provided, CITY may terminate this Agreement by thirty (30) day written notice to BORROWER.

10.2. If this Agreement is terminated by CITY after the loan closing date, BORROWER shall immediately become liable for repayment to CITY or its designee, the outstanding principal amount and any interest accrued and due at the date of termination. In addition to outstanding LOAN principal amount, CITY shall be entitled to collect from BORROWER, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies invoked in this paragraph, including, but not limited to, reasonable attorney's fees.

11. REMEDIES

11.1. No exercise of any right or remedy by CITY under this Agreement shall constitute a waiver of any other right or remedy contained herein or provided by law, and no delay by CITY in exercising any such right or remedy under this Agreement shall be construed as a waiver of such right or remedy or preclude the exercise of any other right or remedy.

11.2. No remedy contained in this Agreement or conferred upon CITY is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to CITY but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

12. OBLIGATIONS OF BORROWER

If more than one person has executed this Agreement as BORROWER, the obligations of all such persons hereunder shall be joint and several. The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

13. SEVERABILITY

If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision hereof shall not in any way be affected or impaired.

14. SUBORDINATION

All restrictions relating to affordable housing programs automatically and permanently terminate upon foreclosure, deed-in-lieu of foreclosure or assignment of the primary mortgage on the property by California Housing Finance Agency (CalHFA) and its successors and assigns.

15. NOTICES

Except for any notice required under applicable law to be given in another manner (a) any notice to BORROWER provided for in this Agreement shall be given by mailing such notice by certified mail directed to the PROPERTY address or any other address BORROWER designates in writing to CITY; and (b) any notice to CITY shall be given by certified mail, return receipt requested, to CITY'S mailing address stated herein or to such other address as CITY may designate in writing to BORROWER as provided herein. Any notice provided for in this Agreement shall deem to have been given to BORROWER or CITY when given in the manner designated herein.

LOAN NUMBER _____

IN WITNESS WHEREOF, BORROWER has executed this Agreement on the date and year set forth above. By signing below, BORROWER agrees to the terms and conditions as set forth above.

BORROWER(S)

MAILING ADDRESS FOR NOTICES:

street

City, State Zip

CITY OF VISALIA

MAILING ADDRESS FOR NOTICES:

City of Visalia
Community Development Department
315 East Acequia
Visalia, CA 93277

City Manager or Designee

Attachment Seventeen: Right to Cancel

<p style="text-align: center;">NOTICE OF RIGHT TO CANCEL</p> <p style="text-align: center;"><u>NOTE SECURED BY DEED OF TRUST AND ASSIGNMENT OF RENTS</u> <u>IN FAVOR OF THE CITY OF VISALIA</u> <u>CALHOME REUSE FTHB</u></p> <p>Your Right to Cancel</p> <p>You are entering into a transaction that will result in a security interest in your home. You have a legal right under federal law to cancel this transaction, without cost within three business days from whichever of the following events occurs last:</p> <p>(a) the date of the transaction, which is _____ or (Date)</p> <p>(b) the date you received your Truth in Lending Disclosures; or</p> <p>(c) the date you received this notice of your right to cancel.</p> <p>If you cancel the transaction, the security interest is also cancelled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the security interest in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.</p> <p>You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.</p> <p>How to Cancel</p> <p>If you decide to cancel the transaction, you may do so by notifying us in writing, at</p> <p>CITY OF VISALIA 315 E. ACEQUIA VISALIA, CA. 93291 ATTN: CITY MANAGER</p> <p>You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.</p> <p>If you cancel by mail or telegram, you must send the notice no later than midnight of _____ or midnight (Date)</p> <p>of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.</p> <p>I WISH TO CANCEL</p> <p>_____ (Date)</p> <p>_____ (Consumer's Signature)</p>

ACKNOWLEDGMENT OF RECEIPT OF TWO COPIES OF NOTICE

Each of the undersigned hereby acknowledges receipt of two complete copies of the Notice above.

(Consumer's Signature)

Date

(Consumer's Signature)

Date

Attachment Eighteen: Request for Notice

Recording Requested By:

The City of Visalia

When Recorded Mail To:

**The Community
Redevelopment Agency
315 E. Acequia Avenue
Visalia, CA 93291**

THIS AGREEMENT IS RECORDED REQUEST AND FOR THE BENEFIT OF THE VISALIA COMMUNITY REDEVELOPMENT AGENCY AND IS EXEMPT FROM THE PAYMENT OF A RECORDING FEE PURSUANT TO GOVERNMENT CODE SECTION 6103.

Request for Notice UNDER SECTION 2924b CIVIL CODE

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under Deed of Trust recorded as Instrument No. Lien in first position goes here, on Lien in first position date goes here, in Official Records of Tulare County, California, and describing land therein as:

Legal Description goes here

Executed by The Name of the Owner goes here, as Trustor,
in which The Name of the Lender in First position goes here is named as
Beneficiary, and The Name of the Lender in First position goes here, as Trustee,
be mailed to The City of Visalia
at 315 E. Acequia Ave. Visalia CA 93291
Number of Street City State Zip Code

NOTICE: A Copy of any Notice of Default and of any Notice of Sale will be sent only to the address contained in this recorded Request. If your address changes, a new Request must be recorded.

Signed _____

Dated _____