

**REQUEST FOR QUALIFICATIONS (RFQ)
for MORTGAGE LENDERS**

RFQ Issuance Date: March 7, 2012
RFQ Deadline: April 9, 2012, 10:00 a.m. PST



**Riverside County Economic Development Agency
Leslie Trainor
3403 10th Street, Suite 500, CA 92501
Phone: (951) 955-3389
Email: ltrainor@rivcoeda.org**

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I. INTRODUCTION

A. Program Descriptions

Riverside County Economic Development Agency (EDA) is seeking mortgage lenders to originate mortgage loans related to the acquisition of new and existing single-family housing in Riverside County and made in conjunction with the EDA Down Payment/Purchase Price Assistance Programs and the EDA Mortgage Credit Certificate Program (MCC).

1. **Down Payment and Purchase Price Assistance Programs**

The Riverside County Board of Supervisors has authorized EDA to administer programs for the purpose of providing Down Payment/Purchase Price Assistance to low, moderate and middle income first time homebuyers. These programs are comprised of the First Time Home Buyer Program (FTHB) and the Neighborhood Stabilization Homeownership Program (NSHP) (herein collectively HOMEOWNERSHIP PROGRAMS) and are administered by EDA pursuant to applicable federal, state and local policies and procedures.

a. FTHB

On March 14, 1995 the Board of Supervisors of the County of Riverside established the FTHB Program in conjunction with HOME Investment Partnerships Act of 1990 as a means of assisting qualified individuals with the acquisition of new and existing single family housing. FTHB is financed with HOME funds which are awarded to the EDA annually by the US Department of Housing and Urban Development (HUD). FTHB provides down payment assistance to low income first time homebuyers in the amount of up to 20% of the home's sales price not to exceed \$75,000 for the purchase of properties located in unincorporated areas and participating cities within Riverside County. Assisted homebuyers must obtain an eligible first mortgage loan through an FTHB participating lender.

b. NSHP

In response to the drastic increase in foreclosures and the impact of the subprime lending environment on housing, Congress authorized the Neighborhood Stabilization Program (NSP) under Title III of the Housing and Economic Recovery Act of 2008. This entitlement program is provided to currently funded grantees of HUD that receive Community Development Block Grant (CDBG) funds. As a direct recipient of other HUD community development entitlement programs, the County of Riverside was awarded \$48,567,786 in first-round federal NSP funds. EDA has apportioned these funds to four specific NSP eligible activities, one of which is the NSHP program. By Resolution 2009-112 adopted on March 17, 2009, the Board of Supervisors of the County of Riverside established the NSHP program. NSHP provides purchase price assistance and optional, minor home repair to qualified first-time homebuyers for the purchase of bank-owned, foreclosed homes throughout Riverside County in designated Target Areas. The amount of purchase price assistance is up to 20% of the home's sales price. The combined amount of purchase price and minor home rehabilitation assistance is not to exceed \$75,000. Eligible properties include bank owned foreclosures located in specific target areas throughout Riverside County. Assisted homebuyers must obtain an eligible first mortgage loan through an NSHP participating lender.

2. **Mortgage Credit Certificate Program**

The Riverside County Board of Supervisors authorized EDA to administer the MCC Program pursuant to applicable federal, state and local policies and procedures. The Tax Reform Act of 1986 established the MCC program as a means of assisting qualified individuals with the acquisition of new and existing single family housing. EDA applies annually to the California Debt Limit Allocation Committee for a Mortgage Credit Certificate allocation, with the most

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recent allocation approved by the State of California on January 26, 2011, by Resolution No. 11-03.

MCC entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. The Riverside County MCC Program provides for a fifteen percent (15%) rate which can be applied to the interest paid on the mortgage loan. The borrower can claim a tax credit equal to 15% of the interest paid during the year. Eligible locations for the MCC program include all unincorporated areas of Riverside County as well as the city limits of participating cities. Assisted homebuyers must obtain an eligible first mortgage loan through an MCC participating lender.

B. Purpose for Request for Qualifications

EDA is soliciting Requests for Qualification (RFQ) from Mortgage Lenders for participation in the HOMEOWNERSHIP PROGRAMS and the MCC Program. The RFQ will be used to pre-qualify a limited number of qualified mortgage lenders to provide mortgage loans related to the acquisition of new and existing single-family housing in conjunction with the HOMEOWNERSHIP PROGRAMS and the MCC Program. This includes single family residences, condominiums, planned unit developments (PUDs) and manufactured housing throughout Riverside County.

C. Life Span of the HOMEOWNERSHIP PROGRAMS and MCC Program Corporate Approval

The HOMEOWNERSHIP PROGRAM and MCC Program participating lenders will be reviewed periodically. Lenders who have performed competently, in a timely fashion and have acted in good faith will remain corporate approved until the expiration of the term of the Lender Participation Agreement, which is June 30, 2014.

I. LENDER REQUIREMENTS

Responses to this RFQ are desired from lenders who meet the following minimum criteria. Criteria listed below do not comprise the entirety of lender requirements and lender selection is at the discretion of the EDA.

- Lender is licensed to do business in the state of California as a direct lender.
- Lender is a duly organized and existing corporation currently in good standing under the laws of the State under which it was formed and is fully registered with the Secretary of State for the State of California and allowed to do business within the State of California.
- Lender wishes to participate in the HOMEOWNERSHIP PROGRAMS administered by the EDA in connection with mortgage loans it will make available for the acquisition of new and existing single-family housing in Riverside County.
- Lender wishes to participate in the MCC Program administered by the EDA in connection with mortgage loans it will make available for the acquisition of new and existing single-family housing in Riverside County.

II. LENDER GUIDELINES

A. General Parameters

The following guidance provides general parameters for lenders. This guidance is meant to ensure that minimum requirements are met for loan standards as set forth by HUD and any equivalent State laws and requirements but is not inclusive of all guidelines and requirements.

- Lender would act as non-exclusive agent for the receipt and processing of applications for first time home buyers under the HOMEOWNERSHIP PROGRAMS and MCC Program.

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- Lender has received instructions and documents regarding the HOMEOWNERSHIP PROGRAMS and MCC Program, and shall become familiar with the unique underwriting requirements of said programs as administered by EDA.
- Funding for the HOMEOWNERSHIP PROGRAMS and MCC Program can only be used in conjunction with a fully amortized, fixed-rate, 30 year term first mortgage, for acquisition of homes to be occupied by first-time home buyers as their primary residence. HOMEOWNERSHIP PROGRAMS applicants must accept the highest ratio fixed rate loan for which they qualify.
- All applicants are to be treated fairly, receive a full and accurate explanation about the HOMEOWNERSHIP PROGRAMS terms including the potential for recapture.
- All borrowers are to be treated fairly, receiving a full and accurate explanation about the MCC Program terms including the potential for recapture.
- EDA will not reserve exclusively for the Lender any portion of the HOMEOWNERSHIP PROGRAMS' or MCC program's appropriation.
- Lender shall provide investigation as is necessary to certify that the applicant has satisfied all requirements of the HOMEOWNERSHIP PROGRAMS and/or MCC Program, as specified in the FTHB, NSHP and MCC Program Handbooks, including those imposed by temporary and permanent regulations issued pursuant to the Internal Revenue Code.
- Lender, its officers and agents, shall not discriminate against or segregate any person or group of persons, based on marital status, gender, race, color, religion, creed, national origin or ancestry for participation in the HOMEOWNERSHIP PROGRAMS and/or MCC Program.
- The Lender agrees to comply with all local, state and federal laws, rules, and regulations relating to fair housing and equal opportunity.

B. Loan Officers of Approved Lenders

Loan officers of approved lenders who are interested in participating with the HOMEOWNERSHIP PROGRAMS and/or the MCC Program must attend annual lender training for each program with which they want to participate. Lenders who are corporate approved with the HOMEOWNERSHIP PROGRAMS and/or the MCC Program are responsible for making company loan officers aware of this requirement. Information on annual lender training may be found on the EDA website at www.rchomelink.com.

It shall be the sole responsibility of the lender and approved loan officers to ensure that they are in full compliance with all applicable Federal, State, local and FTHB, NSHP and MCC specific guidelines while producing the highest degree of quality in loans for the EDA assisted homebuyer.

III. RFQ SUBMITTAL REQUIREMENTS

The RFQ includes two (2) distinct portions: an application for the HOMEOWNERSHIP PROGRAMS (Appendix A) and an application for the MCC Program (Appendix B). The mortgage lender may respond to one or both portions of the RFQ.

Lenders who are interested in participating with both the HOMEOWNERSHIP PROGRAMS and the MCC Program must respond to both portions of the RFQ. If lender responds to both the HOMEOWNERSHIP PROGRAMS and the MCC Program portions of the RFQ, a complete submittal package must be included for both to include all items in Appendix A for the HOMEOWNERSHIP PROGRAMS application *and* all items in Appendix B for the MCC Program application.

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RFQ submittals must be delivered as instructed in Section VII of this RFQ.

A. HOMEOWNERSHIP PROGRAMS Portion of the RFQ

All lenders interested in participating with the EDA HOMEOWNERSHIP PROGRAMS for the time period of July 1, 2012 through June 30, 2014 must complete Appendix A of the RFQ. Lenders who do not complete and submit this portion of the RFQ by the RFQ deadline will not be eligible to participate in the NSHP and FTTHB programs.

The following are required for the HOMEOWNERSHIP PROGRAMS portion of the RFQ (See Appendix A). Lenders shall submit one (1) original of their RFQ submittal to the EDA for consideration. The submittal shall contain all of the required elements, organized as listed below:

1. All items as indicated on the Checklist: HOMEOWNERSHIP PROGRAM Portion of the RFQ
2. Completed and signed Lender Participation Agreement with wet signature of Authorized Corporate Signer
3. Copy of Corporate Resolution documenting authorized signer (Resolution should either be specific to the signing of the EDA agreement or apply to agreements in general)
4. Copy of State of California Department of Corporations License Certificate (DRE license is not acceptable in lieu). If a Department of Corporations (DOC) license Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions.
5. If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
6. If lender is "Doing Business As", submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.
7. Completed and signed Participating Lender Application with wet signature of Authorized Corporate Signer
8. Documentation in conjunction with the Participating Lender Application as necessary
9. All above items are required regardless of lender's current or past lender approval status and even if submitting the MCC Program portion of the RFQ.

B. MCC Program Portion of the RFQ

All lenders interested in participating with the EDA MCC Program for the time period of July 1, 2012 through June 30, 2014 must complete Appendix B of the RFQ. The only exception applies to lenders who previously submitted an MCC Lender Participation Agreement in 2012 and are currently corporate approved to participate with the MCC Program. A list of these lenders may be found in Appendix C of the RFQ.

The following are required for the MCC Program portion of the RFQ (See Appendix B). Lenders shall submit one (1) original of their RFQ submittal to the EDA for consideration. The submittal shall contain all of the required elements, organized as listed below:

1. All items as indicated on the MCC Lender Approval Checklist
2. Completed and signed Lender Participation Agreement with wet signature of Authorized Corporate Signer
3. Copy of Corporate Resolution documenting authorized signer (Resolution should either be specific to the signing of the EDA agreement or apply to agreements in general)

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4. Copy of State of California Department of Corporations License Certificate (DRE license is not acceptable in lieu). If a Department of Corporations license Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions.
5. If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
6. If lender is "Doing Business As", submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.
7. All above items are required regardless of lender's current or past lender approval status and even if submitting the HOMEOWNERSHIP PROGRAMS portion of the RFQ.

IV. CONDITIONS

A. Pre-Contractual Expenses

Pre-contractual expenses are defined as any expenses incurred by the responding party in: (1) preparing response to this RFQ; (2) submitting the response to the EDA; (3) negotiating with the EDA any matter related to this RFQ; (4) engaging in any other activity prior to the deadline for RFQ submittal. EDA shall not, under any circumstances, be liable for any pre-contractual expenses incurred by lenders responding to this RFQ, including but not limited to travel expenses.

B. No Commitment to Select a Lender

Issuance of this RFQ does not commit the EDA to select a lender for FTHB, NSHP and/or MCC corporate approval to participate.

C. RFQ Parameters

The EDA reserves the right to postpone the RFQ for its own convenience, to accept or reject any or all RFQ submittals received in response to this RFQ, or to cancel all or part of this RFQ. Any RFQ response submitted during this RFQ process becomes the property of the EDA.

The EDA reserves the right to waive any irregularities or informalities in the RFQ submittals received. In the event of any such rejection, or in the event a lender's RFQ is not rejected but does not result in corporate approval to participate with the FTHB, NSHP and/or MCC programs, the EDA shall not be liable for any costs incurred by the lender in connection with the preparation and submittal of the RFQ response.

V. EVALUATION AND SELECTION PROCESS

A. Evaluation Panel

Evaluation of the RFQ submittals will be made by the EDA. EDA staff will comprise an evaluation panel with responsibility for reviewing, analyzing and evaluating the RFQ submittals received. The panel may also assign this task to other staff. The evaluation panel will establish a list of successful lenders to be corporate approved to participate with the FTHB, NSHP and/or MCC programs.

B. Evaluation Criteria

By use of numerical and narrative scoring techniques, RFQ submittals will be evaluated by the evaluation panel against the factors specified below.

1. Types of mortgage loans lender is qualified to fund and service
2. Number of Locations and Branches
3. Availability of bi-lingual Staff

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4. Community Reinvestment and Affirmative Marketing activities
5. Community Involvement
6. Knowledge of and experience with first time homebuyer programs
7. Special rates and terms for first time homebuyers

In selecting the most qualified lenders, the EDA may require the finalist to make an oral presentation to the Evaluation Panel to further explain their submittals. If such interviews are conducted, the EDA's ratings of the presentations will also be factored into the final scores assigned to the lenders. However, lenders are advised that selection may be made without interviews or further discussion. Ultimately, lenders who are deemed to provide the best combination of strengths and experience in order to service prospective EDA homebuyers will be selected for corporate approval to participate.

VII. APPLICATION PROCEDURES AND SCHEDULE

The lender selection process will result in an Agreement between lender and the EDA. The Agreement will stipulate all responsibilities of the lender and finalize all business terms between the EDA and the lender concerning FTHB, NSHP and/or MCC assisted transactions.

A public notice was published on March 7, 2012, in the Press Enterprise, Desert Sun and Palo Verde Valley Times Newspapers notifying the public of the availability of this RFQ.

RFQ submittals and any questions concerning this RFQ should be directed to:

Riverside County Economic Development Agency (EDA)
Attn: Leslie Trainor
3403 10th Street, Suite 500 Riverside, CA 92501
(951) 955-3431
[**ltrainor@rivcoeda.org**](mailto:ltrainor@rivcoeda.org)

RFQ submissions must be received at the above address **by 10:00 a.m. on April 9, 2012**. RFQ packages submitted after the deadline are subject to rejection. Respondents must mail or hand-deliver one (1) original of the RFQ submittal package. Submittals will be date and time stamped by EDA staff upon receipt. RFQ submittals become the property of the EDA and will not be returned.

RFQ packages submitted after the deadline are subject to rejection. Incomplete RFQ submittals are considered to be non-responses. Faxes and email RFQ submittals will not be accepted.

VIII. RESPONSIBILITY OF RESPONDENTS

If it is found that the lender is irresponsible (e.g. is not a legal entity, is not a direct lender, does not have a valid license with the State of California Department of Corporations, submitted an RFQ package without an authorized signature, falsified any information in the submission package, etc.), the submittal shall be rejected and will be cause for immediate termination of any agreement.

XI. TIMELINE

March 7, 2012	RFQ Available
April 9, 2012	RFQ Submittals due to EDA by 10:00 am P.S.T.
April 16, 2012	Lenders selected

All dates are estimates and subject to change. Respondents will be notified at the earliest notice of change.

APPENDIX A

CHECKLIST: HOMEOWNERSHIP PROGRAMS Portion of the RFQ

Please provide the following items to Riverside County EDA in conjunction with your application for the HOMEOWNERSHIP PROGRAMS portion of the RFQ submission.

****All items are required, regardless of previous corporate approval status with the EDA programs and even if you are also responding to the MCC Program portion of the RFQ.****

Required Items Related to RFQ Scored Application

- RFQ Application filled out Completely
- Documentation for Part V
 - Section A) Copy of Lender's CRA Statement
 - Section B) Copy of CRA Evaluation
 - Section C) Copy of policy and plan to reach out to low income and minority communities
 - Section D) Documentation of any items checked in this section
- Wet Signature of Authorized Corporate Signer (as indicated on the Corporate Resolution)

Required Items Related to Lender Participation Agreement

- Lender Participation Agreement filled out completely
- Lender Participation Agreement with wet signature of Authorized Corporate Signer
- Copy of Corporate Resolution Documenting Authorized Signer (Resolution should either be specific to the signing of the EDA Agreement or apply to agreements in general)
- Copy of State of California Department of Corporations License Certificate (DRE License is not acceptable in lieu). If a Department of Corporations license Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions
- If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
- If Lender is "Doing Business As" submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.

**RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY
FIRST TIME HOME BUYER ASSISTANCE PROGRAMS
PARTICIPATING LENDER APPLICATION
July 1, 2012-June 30, 2014**

Please complete all portions of this Application including the signature on the last page and include all required supporting documentation. This application will be scored using the criteria and points identified herein. This information will become part of the Lender's file and any misrepresentation shall be cause for immediate removal as a participating lender.

I. IDENTIFICATION

A. Name of Lender: _____

TYPE OF LENDING INSTITUTION:

- Savings and Loan Association
- Commercial Bank
- Mortgage Banker
- Mortgage Broker (not eligible to participate)

B. Lender Contact Person with regard to this Application:

Name: _____

Title: _____

Street Address: _____

City, State and Zip Code: _____

Telephone Number: _____

FAX Number: _____

Email: _____

C. Jurisdiction of Organization and Date of Incorporation: _____

D. Date of Qualification to do business in the State of California: _____

E. Name of Lender Insurer and amount of coverage:

1. Errors and Omissions Insurance: _____

2. Fidelity Bond: \$_____

II. TYPES OF MORTGAGE LOANS LENDER IS QUALIFIED TO FUND AND SERVICE (2 points each):

- FHA Approved Mortgagee (2 points)
- GNMA Approved Issuer/Servicer (2 points)
- FNMA Approved Seller/Servicer (2 points)
- FHLMC Approved Seller/Servicer (2 points)
- VA Approved Mortgagee (2 points)
- Low Down Payment Portfolio Loans (2 points)

III. LOCATION OF BRANCHES:

A. List all branches in Riverside County (1 point each):

Branch Address: _____

Attach Additional Sheet if Needed

IV. BI-LINGUAL STAFF (2 points):

Does each branch which will participate in the Riverside County programs have at least one (1) staff member (loan officer and/or loan processor) who is fluent in Spanish and is both available and willing to serve Spanish speaking applicants?

- Yes (2 points)
- No (0 points)

V. COMMUNITY REINVESTMENT AND AFFIRMATIVE MARKETING:

A) Is the Lender subject to the Community Reinvestment Act (CRA)? (5 points)

- Yes (**Please attach a copy of Lenders CRA Statement** and go to question B)
 No (Please skip to question C)

B) If yes, what was the rating in the most recent CRA Evaluation? **Please attach a copy of this Evaluation.**

- Satisfactory or Outstanding (5 points)
 Needs to Improve (1 point)
 Substantial Noncompliance (0 points)

C) If no, does the Lender have an adopted policy and plan to reach out to low income and minority communities? **Please attach a copy of this policy and plan.**

- Yes (5 points)
 No (0 points)

D) Within the last twelve months, what activities has the Lender taken to reach low income and minority communities? Check all that apply. Attach supporting documentation. (1 point each)

***Supporting documentation must be included to receive points.**

- Advertisements in Spanish (print and audio)
 Advertisements in languages other than Spanish or English (print and audio)
 Direct Mail campaigns to identified low income and minority communities.
 Sponsorship of activities in low income and minority communities.
 Opened a branch in a low income and/or minority community.

Other (please list): _____

VI. COMMUNITY INVOLVEMENT (5 points possible):

Please list any community projects in Riverside County which you have been involved or intend to be involved with. (Community projects are those which are not associated with the day to day activities of loan transactions): _____

VII. EXPERIENCE IN FIRST TIME HOME BUYER PROGRAMS: NOTE: The County will check references to verify that your participation in any programs identified herein was both active and satisfactory.

- A. Please list all locally administered first time home buyer programs that you have actively participated in, including name and phone number of contact person administering program (6 points possible):

Program: _____

Number of Loans Originated in conjunction with this Program: _____

Name and phone number of Agency Contact Person: _____

Program: _____

Number of Loans Originated in conjunction with this Program: _____

Name and phone number of Agency Contact Person: _____

Program: _____

Number of Loans Originated in conjunction with this Program: _____

Name and phone number of Agency Contact Person: _____

Attach Additional Sheet if Needed

- B. Have you actively participated in any Mortgage Credit Certificate programs? If so, please provide the following (4 points possible):

Program: _____

Number of Loans Originated in conjunction with this Program: _____

Name and phone number of Agency Contact Person: _____

Program: _____

Number of Loans Originated in conjunction with this Program: _____

Name and phone number of Agency Contact Person: _____

Attach Additional Sheet if Needed

VIII. BONUS POINTS (awarded to Lenders who meet all minimum requirements):

A. Special Rates. Bonus points will be awarded to Lenders who will commit to the provision of special rates for Riverside County First Time Home Buyer Program participants. Check all that apply:

Lower interest rates (5 points). Lender will provide a discount of at least 1/4% from the market interest rate charged for participants in the Riverside County First Time Home Buyer Programs. Please specify amount:

<u>Type of Loan</u>	<u>Interest Rate Reduction</u>	<u>% less than Market Rate</u>
_____	_____	_____

Proof of this discount shall be provided at the time of submission of the EDA Assistance Application. If the Lender indicates on this Application that they will offer this incentive and fails to perform, said Lender will be immediately terminated from the First Time Home Buyer Programs.

Waiver/Reduction in Normal Fees (5 points). Lender will waive or reduce by at least 50% normal fees. Please specify:

<u>Type of Fee</u>	<u>Normal Amount</u>	<u>Amount to be charged</u>
_____	\$ _____	\$ _____

Proof of this waiver/reduction shall be provided at the time of submission of the EDA Assistance Application. If the Lender indicates on this Application that they will offer this incentive and fails to perform, said Lender will be immediately terminated from the Riverside County First Time Home Buyer Programs.

CERTIFICATION

I hereby certify that all information contained herein is true and correct to the best of my knowledge. I further certify that I have been authorized to complete this form and that I have the knowledge and experience necessary to make the statements herein. I understand that the information herein shall be used to establish the eligibility of my company for the County of Riverside Economic Development Agency Homeownership Assistance Programs and that any misrepresentation herein shall immediately disqualify my firm from participation in the County of Riverside Homeownership Assistance Programs.

Date: _____

Authorized Signature: _____

Typed Name and Title: _____

Email: _____

Phone Number: _____

Attachments

Please include the following items as attachments to your application:

Check if included.

1. CRA Statement, if applicable.
2. Most Recent CRA Evaluation, if applicable.
3. Lenders Plan and Policies for low income and minority outreach.
4. List and description of outreach activities to low income and minorities communities.
5. Community Involvement Supporting Documentation.

1 **HOMEOWNERSHIP PROGRAMS**
2 **LENDER PARTICIPATION AGREEMENT**
3

4 THIS AGREEMENT is made and entered into as of the ____ day of _____
5 20____ by and between RIVERSIDE COUNTY, a public body corporate and politic, (hereinafter
6 referred to as the "County"), and _____
7 (hereinafter referred to as the "Lender").

8 **W I T N E S S E T H:**

9 WHEREAS, the HOME Investment Partnerships Act of 1990 established the First Time
10 Home Buyer Program ("FTHB Program") as a means of assisting qualified individuals with the
11 acquisition of new and existing single family housing; and

12 WHEREAS, the Housing and Economic Recovery Act of 2008 established the
13 Neighborhood Stabilization Program ("NSP Program") as a means of assisting in the
14 redevelopment of abandoned and foreclosed homes under the Emergency Assistance for the
15 Redevelopment of Abandoned and Foreclosed Homes; and

16 WHEREAS, the Board of Supervisors of the County of Riverside established a First
17 Time Home Buyer Program on March 14, 1995; and

18 WHEREAS, by Resolution 2009-112 adopted on March 17, 2009, the Board of
19 Supervisors of the County of Riverside established a Neighborhood Stabilization
20 Homeownership Program ("NSHP Program"); and

21 WHEREAS, the Board of Supervisors of the County of Riverside has authorized the
22 Riverside County Economic Development Agency ("EDA") to administer the FTHB and NSHP
23 Programs (collectively called "Homeownership Programs") pursuant to the applicable federal,
24 state and local policies and procedures, and to enter into those agreements necessary for efficient
25 administration of the Homeownership Programs; and

26 WHEREAS, the County annually receives a HOME Fund allocation from the US
27 Department of Housing and Urban Development for a First Time Home Buyer allocation; and

28 WHEREAS, the Riverside County received a 2008 NSP Program Fund allocation from

1 the US Department of Housing and Urban Development; and

2 WHEREAS, the Lender is licensed to do business in the state of California as a direct
3 lender; and

4 WHEREAS, the Lender is a duly organized and existing corporation currently in good
5 standing under the laws of the State under which it was formed and is fully registered with the
6 Secretary of the State for the State of California and allowed to do business within the State of
7 California; and

8 WHEREAS, the Lender wishes to participate in the Homeownership Programs
9 administered by the EDA in connection with mortgage loans it will make available for the
10 acquisition of new and existing single-family housing in Riverside County.

11 NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree
12 as follows:

13 **LENDER'S RESPONSIBILITIES**

- 14 1. The County hereby designates the Lender as its non-exclusive agent for the receipt and
15 processing of applications for first time home buyers under the Homeownership
16 Programs.
- 17 2. The Lender has received instructions and documents regarding the Homeownership
18 Programs, and shall become familiar with the unique underwriting requirements of said
19 Homeownership Programs as administered by EDA.
- 20 3. The Lender acknowledges that funding for the Homeownership Programs can only be
21 used in conjunction with a fully amortized, fixed-rate, at least 30 year first mortgage, for
22 acquisition of homes to be occupied by first-time home buyers as their primary residence,
23 and that said Homeownership Programs applicants must accept the highest ratio fixed
24 rate loan for which they qualify.
- 25 4. The Lender will make information regarding the Homeownership Programs available to
26 all potential applicants who qualify for the Homeownership Programs. The Lender will
27 process and review the Homeownership Programs applications for any applicant in order
28 to determine eligibility for the Homeownership Programs. All applicants are to be treated

1 fairly, receiving a full and accurate explanation about the Homeownership Programs and
2 the potential for recapture.

3 5. The Lender acknowledges that EDA will not reserve exclusively for the Lender any
4 portion of the Homeownership Programs' appropriation, and that the EDA shall have no
5 liability or responsibility for any expenses incurred by the Lender in connection with the
6 Lender's participation in the Homeownership Programs.

7 6. The Lender will obtain from the applicant all documents and information required for the
8 Homeownership Programs' application as directed by the EDA.

9 7. The Lender will perform all investigation and verification that it would normally perform
10 for underwriting a mortgage not provided in connection with the Homeownership
11 Programs.

12 8. The Lender agrees that prior to requesting a reservation of Homeownership Program
13 funds, that sufficient investigation will have been performed to determine the eligibility
14 of the applicant to qualify, participate in the Homeownership Program and meet the
15 County's eligibility requirements as specified in the Homeownership Programs
16 Handbook or Guidelines.

17 9. Lender is aware that a reservation of Homeownership Programs funds does not
18 constitute a loan approval or guarantee by the EDA to disburse funds; but only reserves
19 said funds to be used in conjunction with the approval and funding of the mortgage as
20 indicated in the escrow instructions.

21 10. The Lender acknowledges that a true and correct copy of the FNMA Transmittal
22 Summary Form 1008, or a true and correct copy of the FHA Loan Underwriting
23 Transmittal Summary, Form 92900-WS, must be submitted to the EDA, with the
24 document entitled "Lender's Certification of Applicant Eligibility", before the EDA will
25 take action on any loan. The approval or denial of Homeownership Programs loan
26 application will be at the sole discretion of EDA.

27 11. The Lender will charge an applicant applying for the Homeownership Programs only
28 those reasonable fees as would be charged an applicant applying for a mortgage not

1 provided in conjunction with the Homeownership Programs.

2 12. Notwithstanding the provisions of Section 11 above, the Lender shall not charge any
3 application fee for processing the Homeownership Programs.

4 13. The Lender hereby agrees that it will forward, within five (5) business days, to the EDA
5 any information which it may receive during the term of the mortgage loan that indicates
6 that an applicant made a misrepresentation in applying for the Homeownership Programs
7 or that may affect the applicant's continued eligibility for the Homeownership Programs.

8 14. The Lender agrees that after Homeownership Programs fund is reserved for an applicant,
9 that Lender will advise EDA, within five (5) business days, in the event that the applicant
10 is determined to be ineligible for participation in the Homeownership Programs or fails to
11 qualify for a first mortgage loan.

12 15. The Lender hereby agrees that it will notify EDA, within five (5) business days, of a
13 cancellation or rejection of a loan or determination of ineligibility for any applicant who
14 has applied to the County for the Homeownership Programs and has received a
15 commitment from the County to issue a Homeownership Program Commitment. In this
16 event, the Homeownership Program funding reservation shall be canceled by the EDA.

17 16. The Lender must notify all applicants of the availability of the Homeownership
18 Programs regardless of whether or not the applicant needs the Homeownership Programs
19 to qualify for a loan.

20 17. The Lender is responsible for assuring that all of its loan processing personnel
21 understand the parameters of the Homeownership Programs and are aware of the Lender's
22 responsibilities under this Agreement.

23 18. The Lender and its participating branches hereby agree to actively participate, as defined
24 herein, in the Homeownership Programs in order to maintain active status in the program.
25 A minimum of one (1) FTHB or NSHP loan issued during the six (6) month period
26 following the Effective Date of this Agreement shall constitute active participation.
27 Lender that fails to meet active participation will be removed from the EDA's
28 Participating Lender's List and will be excluded from further participation in the

1 Homeownership Programs for a period of six (6) months from the date of removal from
2 the EDA's Participating Lender's List ("Suspension Period"). Lender that wishes to
3 further participate after the Suspension Period must re-submit all documentations and
4 sign a new Lender Participation Agreement. Any Lender that has been suspended more
5 than two times in a period of two (2) years will be disallowed to participate in any
6 County or County down payment assistance type of programs such as, but not limited to,
7 First Time Home Buyer (FTHB) Program, Mortgage Credit Certificate (MCC),
8 Neighborhood Stabilization Homeownership Program (NSHP) or others for a period of
9 five (5) years.

10 19. The Lender and all its participating branches agree to uphold the quality standards of the
11 Homeownership Programs and to meet its obligation as a signatory to the Statement of
12 Homeownership Quality Commitment as shown in Exhibit A which is attached hereto
13 and by this reference incorporated herein.

14 20. The Lender agrees the Lender, its officers and agents, shall not discriminate against or
15 segregate any person, or group of persons, based on marital status, gender, race, color,
16 religion, creed, national origin or ancestry for participation in the Homeownership
17 Programs.

18 21. The Lender acknowledges that the FTHB Program is subject to the rules of the Federal
19 HOME Program and that HOME Programs must comply with all of the following federal
20 laws, executive orders, and regulations pertaining to fair housing and equal opportunity:
21 Title VI of the Civil Rights Act of 1964, as Amended (42 U.S.C. 2000d); Title VIII of
22 the Civil Rights Act of 1968, As Amended "the Fair Housing Act" (42 U.S.C 3601);
23 Equal Opportunity in Housing (Executive Order 11063, As Amended by Executive
24 Order 12259); Architectural Barriers Act of 1968, As Amended (42 U.S.C 4151); Age
25 Discrimination Act of 1975, As Amended (42 U.S.C. 6101); and Equal Employment
26 Opportunity (Executive Order 11246, As Amended). The Lender agrees to comply with
27 all local, state and federal laws, rules, and regulations relating to fair housing and equal
28 opportunity.

- 1 22. The Lender acknowledges that the NSHP Program is subject to the rules of the Federal
2 Title III of Division B of the Housing and Economic Recovery Act of 2008 and all its
3 implementing rules and regulations.
- 4 23. The Lender agrees to participate Affirmative Marketing outreach to encourage the
5 participation of low income and minority persons in the Homeownership Programs.
- 6 24. Participating Lenders that originate loans for the Homeownership Programs shall be
7 required to submit loans through Direct Lenders, as defined herein, which have been
8 approved for participation in the Homeownership Programs by the EDA. Direct Lenders
9 are those organizations having staff capable of underwriting loans, and a valid contract
10 with FNMA or Freddie Mac allowing for the sale of mortgages pursuant to the
11 Community Partnership Program (CPP).
- 12 25. The Lender agrees to participate in the American Chamber of Commerce Researchers
13 Association (ACCRA) Cost of Living Index survey efforts directed quarterly by the EDA
14 by providing mortgage interest rates and home purchase prices of First Time Buyer and
15 non First Time Buyer purchases in Riverside County to EDA. Lenders may credit the
16 participation as community involvement.

17 TERM OF AGREEMENT

- 18 26. The term of this Agreement shall commence on the Effective Date and terminate on June
19 30, 2014 unless terminated sooner in accordance with Section 28 and 29 herein.

20 EFFECTIVE DATE

- 21 27. The effective date of this Agreement is the date the parties sign the Agreement. If the
22 parties sign the Agreement on more than one date, then the last date the Agreement is
23 signed by a party shall be the effective date.

24 TERMINATION

- 25 28. The County or Lender may terminate this Agreement, without cause, upon thirty (30)
26 days written notice to non-terminating party.
- 27 29. The County may terminate this Agreement and prohibit the Lender from participating in
28 the Homeownership Programs upon the Lender's failure to comply with the terms and

1 conditions of this Agreement. County shall give written notice to Lender specifying the
2 failure to comply, the action required to cure, if possible, and date such action to cure
3 must be taken, which shall not be more than thirty (30) calendar days from the mailing of
4 the written notice.

5 RECORDS, REPORTS, ACCESS

6 30. The Lender shall maintain complete files for each Homeownership Program applicant for
7 at least seven (7) years.

8 31. Authorized County representatives shall have the right to monitor, assess and evaluate the
9 Lender's performance.

10 COMPLIANCE WITH LAWS AND REGULATIONS

11 32. The Lender warrants that it is familiar with the rules and regulations of the Federal
12 HOME Investments Partnership Program, as published in 24 CFR Part 92 and the
13 requirements established by the County, including, but not limited to, the FTHB Program
14 Lender's Handbook.

15 33. The Lender hereby agrees to comply with all provisions of applicable federal, state and
16 local law, regulations and guidelines including, but not limited to, the Housing and
17 Economic Recovery Act of 2008.

18 HOLD HARMLESS AND INDEMNIFICATION

19 34. Lender shall indemnify and hold harmless the County, its Agencies, Districts,
20 Special Districts and Departments, their respective directors, officers, Board of
21 Supervisors, elected and appointed officials, employees, agents and representatives from
22 an liability whatsoever, based or asserted upon any services of Lender, its officers,
23 employees, subcontractors, agents or representatives arising out of or in any way relating
24 to this Agreement, including but not limited to property damage, bodily injury, or death
25 or any other element of any kind or nature whatsoever arising from the performance of
26 Lender, its officers, agents, employees, subcontractors , agents or representatives from
27 this Agreement. Lender shall defend, at its sole expense, all costs and fees including, but
28 not limited, to attorney fees, cost of investigation, defense and settlements or awards, the

1 County of Riverside, its Agencies, Districts, Special Districts and Departments, their
2 respective directors, officers, Board of Supervisors, elected and appointed officials,
3 employees, agents and representatives in any claim or action based upon such alleged
4 acts or omissions. With respect to any action or claim subject to indemnification herein
5 by Lender, Lender shall, at their sole cost, have the right to use counsel of their own
6 choice and shall have the right to adjust, settle, or compromise any such action or claim
7 without the prior consent of County; provided, however, that any such adjustment,
8 settlement or compromise in no manner whatsoever limits or circumscribes Lender's
9 indemnification to County as set forth herein. Lender's obligation hereunder shall be
10 satisfied when Lender has provided to County the appropriate form of dismissal relieving
11 County from any liability for the action or claim involved. In the event there is conflict
12 between this clause and California Civil Code Section 2782, this clause shall be
13 interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the
14 Lender from indemnifying the County to the fullest extent allowed by law.

15 NOTICES AND CONTACT PERSON

16 35. Any notice required or desired to be served by either party upon the other shall be
17 addressed to the respective parties as set forth in Section 36 below. In the event that the
18 Lender, including branch offices listed in Exhibit A as described in Section 19, moves or
19 changes its address or telephone number, the Lender shall notify EDA in writing, within
20 15 business days, of the new information.

21 36. The Lender shall designate one person to serve as the Lender's Contact Person for the
22 Homeownership Programs.

23 The Contact Person's responsibilities include:

- 24 a) Updating information provided to all Homeownership Programs
25 related personnel in a timely manner; and
- 26 b) Notifying EDA, within 15 business days, of any reassignment
27 regarding their role as Contact Person.

28 //

1 Contact Person for the Lender shall be:

2 Name: _____

3 Address: _____

4 Telephone: _____

5 FAX: _____

6 E-Mail Address: _____

7
8 Contact Person for the EDA shall be:

9 Name: Leslie Trainor, Senior Development Specialist

10 Address: 3403 10th Street, Suite 500, Riverside, CA 92501

11 Telephone: (951) 955 - 3389

12 FAX: (951) 955 - 3426

13 E-Mail Address: ltrainor@rivcoeda.org

14 LENDER'S AUTHORIZED AGENT

15 37. In addition to the Lender's Contact Person, for each of the Lender's branch office, the
16 Lender shall designate one Homeownership Program Officer who will be responsible for
17 submitting the names of Lender's authorized agents (collectively hereinafter referred to
18 as "Agent") as described below as well as the supervisor of such Agents in their
19 employments.

20 a) Submitting Agent's Name.

21 i) The Homeownership Program Officer for the Lender Participating Branch,
22 who is identified in Exhibit A, shall submit the name of the Agent to EDA
23 after the Agent completes the required EDA training session.

24 ii) County will place the Agent on EDA's Participating Lender's list, which is
25 made available to the public and provided on EDA's website.

26 iii) The Agent's name shall be submitted to EDA at the address identified in
27 Section 36 herein.

28 b) Agent's Responsibilities. The Agent will be responsible for the following:

- i) Submitting complete Homeownership Programs applications to EDA.
- ii) Attending the EDA required training sessions.
- iii) Submitting complete closing documents to EDA within the time specified in the Homeownership Programs handbook or guidelines.
- iv) Maintaining Active Status as defined in Section 37(c)(i) below.

c) Agent's Active Participation.

- i) In order to ensure the Agreement's Statement of Homeownership Quality Commitment, within six (6) months of the Homeownership Programs Officer submitting the Agent's name to the EDA, the Agent shall submit one complete application to EDA resulting in EDA successfully funding any one of the Homeownership Programs Loan ("Active Participation").
- ii) Agent's failure to achieve Active Participation will result in the Agent's name being removed from the EDA's Participating Lender's List and will be excluded from further participation in the Homeownership Programs for a period of six months from date of removal.
- iii) After the above mentioned six month's suspension period, Agent may participate after repeating the EDA required training session, as long as the Lender is still in the active status as defined in Section 18 of this Agreement.

ENTIRE AGREEMENT

38. It is expressly agreed that this Agreement and those documents incorporated herein by reference or attachment embodies the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the parties at the time of execution.

SECTION AND PARAGRAPH HEADINGS

39. Captions of the sections and paragraphs of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

1 AUTHORITY TO EXECUTE

2 40. The undersigned certifies that, under penalty of perjury, he or she is authorized to sign
3 this Agreement on behalf of the Lender. This Agreement shall not be effective unless
4 and until the Lender provides a corporate resolution or other documentation satisfactory
5 to the County showing that _____(the person
6 signing this Agreement) has the authority to sign this Agreement on behalf of the Lender.

7 41. This Agreement shall have no force or affect whatsoever unless and until it is signed by
8 all of the undersigned parties. Once signed by all of the undersigned parties, this
9 Agreement shall authorize and be binding upon the branch offices of Lender that are
10 located in or serving Riverside County.

11 NO AGENCY RELATIONSHIP

12 42. Nothing contained in this Agreement shall be deemed or construed by the parties or by
13 any third person to create the relationship of principal and agent or of partnership or of
14 joint venture or of association between County and Lender.

15 AMENDMENTS OR MODIFICATIONS

16 43. No amendments or modifications of any of the provisions of this Agreement shall be
17 binding unless in writing and signed by both County and Lender.

18 ASSIGNMENT

19 44. Lender shall not assign any interest in this Agreement, and shall not transfer any interest
20 in the same, whether by assignment or novation, without the prior written consent of the
21 County.

22 WAIVER

23 45. Failure by a party to insist upon the strict performance of any of the provisions of this
24 Agreement by the other party, or the failure by a party to exercise its rights upon the
25 default of the other party, shall not constitute a waiver of such party's rights to insist and
26 demand strict compliance by the other party with the terms of this Agreement thereafter.

27 //

1 GOVERNING LAW

2 46. This Agreement shall be construed and interpreted according to the laws of the State of
3 California. Jurisdiction and venue shall be agreed to be in the appropriate courts in the
4 County of Riverside, State of California.

5 SEVERABILITY

6 47. If any provision in this Agreement is held by a court of competent jurisdiction to be
7 invalid, void or unenforceable, the remaining provisions will nevertheless continue in full
8 force and effect.

9 COUNTERPARTS

10 48. This Agreement may be signed by the different parties hereto in counterparts, each of
11 which shall be an original but all of which together shall constitute one and the same
12 agreement.

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1 IN WITNESSETH WHEREOF, this Agreement has been executed by and between the
2 undersigned parties.

3 **LENDER**

4
5 Dated: _____

6 By: _____
7 Name of Firm

8 _____
9 Signature of Authorized Person

10 _____
11 Typed Name of Authorized Person

12 _____
13 Title

14 _____
15 Address

16 _____
17 City and Zip Code

18 **COUNTY OF RIVERSIDE EDA**

19 Dated: _____

20 By: _____
21 John Aguilar, Deputy Director

22 **NOTE: A photocopy of your STATE OF CALIFORNIA, DEPARTMENT OF**
23 **CORPORATIONS LICENSE CERTIFICATE, AND a Corporate Resolution or other**
24 **documentation referenced in Section 40 of this Agreement must be attached to this**
25 **Agreement. If the Lender is using a "Doing Business As" (DBA) name, it must also submit**
26 **a copy of the DBA statement or assumed name certificate filed with the State or County.**
27
28

APPENDIX B

CHECKLIST: MCC Program Portion of the RFQ

Please provide the following items to Riverside County EDA in conjunction with your application for the MCC Program portion of the RFQ submission. See Section III B of the RFQ to determine if you are required to compete the MCC Program portion of the RFQ.

****All items are required, regardless of previous corporate approval status with the EDA programs and even if you are also responding to the HOMEOWNERSHIP PROGRAMS portion of the RFQ.****

Required Items

- Lender Participation Agreement filled out completely
- Lender Participation Agreement with wet signature of Authorized Corporate Signer
- Copy of Corporate Resolution Documenting Authorized Signer (Resolution should either be specific to the signing of the EDA Agreement or apply to agreements in general)
- Copy of State of California Department of Corporations License Certificate (DRE License is not acceptable in lieu). If a Department of Corporations license Certificate is not available, lender to explain why including justification for how the lender is licensed and operating as a direct lender in the State of California and lender to provide documentation of these assertions
- If Company is FSB or NA, letter on company letterhead stating which applies, with authorized signature. (DOC license certificates are not required for FSB or NA lenders).
- If Lender is “Doing Business As” submit copy of the DBA statement or assumed name certificate filed with the State of California or County of Riverside for each fictitious business name. A copy of a published legal notice ad in the newspaper is not acceptable in lieu.

Riverside County Economic Development Agency
Mortgage Credit Certificate Program
3403 10th Street, Suite 500
Riverside, CA 92501
(951) 955-8916

**MORTGAGE CREDIT CERTIFICATE
LENDER PARTICIPATION AGREEMENT**

THIS AGREEMENT is made and entered into as of the _____ day of _____, 20____ by and between RIVERSIDE COUNTY, a public body corporate and politic, (hereinafter referred to as the "County"), and _____ (hereinafter referred to as the "Lender").

WITNESSETH:

WHEREAS, the Tax Reform Act of 1986 established the Mortgage Credit Certificate Program (hereinafter referred to as the "MCC Program") as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, pursuant to Division 31, Part 1, Chapter 3.5, Article 4 of the California Health and Safety Code Sections 50197 et seq, local issuers are authorized to issue Mortgage Credit Certificates (hereinafter referred to as "MCC's") and administer MCC Programs; and

WHEREAS, by Resolution 87-564 adopted December 22, 1987, the Board of Supervisors of the County of Riverside established a Mortgage Credit Certificate Program; and

WHEREAS, the Board of Supervisors of the County has authorized the Riverside County Economic Development Agency (hereinafter referred to as the "EDA") to administer the MCC Program pursuant to the applicable federal, state and local policies and procedures, and to enter into those agreements necessary for efficient administration of the MCC Program; and

WHEREAS, the Riverside County has applied to the California Debt Limit Allocation Committee for a mortgage credit certificate allocation, with the most recent allocation approved by the State of California on January 26, 2011, by Resolution No. 11-03; and

WHEREAS, the Lender is licensed to do business in the state of California as a direct lender; and

WHEREAS, the Lender wishes to participate in the MCC Program administered by the County in connection with mortgage loans it will make available for the acquisition of new and existing single-family housing in Riverside County.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

LENDER'S RESPONSIBILTIES

1. The County hereby designates the Lender as its non-exclusive agent for the receipt and processing of applications for MCC's under the MCC Program.
2. The Lender will make information regarding the MCC Program available to all potential borrowers who qualify for the MCC Program. The Lender will process and review the

application for any potential borrower in order to determine eligibility for the MCC Program. All borrowers are to be treated fairly, receiving a full and accurate explanation about the MCC Program and the potential for recapture.

3. The Lender will obtain from the borrower all documents and information required for the application and receipt of a MCC as directed by the County.
4. The Lender will perform all investigation and verification that it would normally perform for underwriting a mortgage not provided in connection with a MCC.
5. The Lender will conduct such reasonable investigation as is necessary to certify that the applicant has satisfied all requirements of the MCC Program, including those imposed by temporary and permanent regulations issued pursuant to the Internal Revenue Code and the County's eligibility requirements as specified in the MCC Program Handbook.
6. The Lender will charge a potential borrower applying for a MCC only those reasonable fees as would be charged a potential borrower applying for a mortgage not provided in conjunction with a MCC.
7. Notwithstanding the provisions of Section 6 above, the Lender shall charge a nonrefundable application fee of \$300.00 for each MCC, to be paid to the County with the initial MCC submission. In addition, the Lender may charge up to \$100.00 for the Lender's processing of the MCC application. These fees may be paid by any person or party.
8. The Lender hereby agrees that it will immediately forward to the County any information which it may receive during the term of the mortgage loan that indicates that an applicant made a misrepresentation in applying for a MCC or that may affect the applicant's continued eligibility for a MCC.
9. The Lender hereby agrees that it will immediately notify the County upon cancellation or rejection of a loan or determination of ineligibility for any borrower who has applied to the County for a MCC and has received a commitment from the County to issue the MCC (hereinafter referred to as the "MCC Commitment"). In this event, the MCC Commitment shall be canceled by the County.
10. Lenders must notify all borrowers of the availability of the MCC Program regardless of whether or not the borrower needs the MCC to qualify for a loan.
11. Lenders are responsible for assuring that all of their loan processing personnel understand the parameters of the MCC Program and are aware of the Lender's responsibilities under this Agreement.
12. The Lender and its participating branches hereby agree to actively participate in the County's MCC Program in order to maintain active status in the program. A minimum of one (1) MCC issued during the six month period following the Effective Date of this Agreement shall constitute active participation. Lender that fails to meet active

participation will be removed from the County's Participating Lender's List and will be excluded from further participation in the MCC Program for a period of six months from the date of removal from the County's Participating Lender's List ("Suspension Period"). Lender that wishes to further participate after the Suspension Period must re-submit all documentations and sign a new Lender Participation Agreement. Any Lender that has been suspended more than two times in a period of two (2) years will be disallowed to participate in any County or County down payment assistance type of programs such as, but not limited to, First Time Home Buyer (FTHB) Program, Neighborhood Stabilization Homeownership Program (NSHP), or others for a period of five (5) years.

13. The Lender and all its participating branches agree to uphold the quality standards of the MCC Program and to meet its obligation as a signatory to the Statement of MCC Quality Commitment as shown in Exhibit A which is attached hereto and by this reference incorporated herein.

TERM OF AGREEMENT

14. The term of this Agreement shall commence on the Effective Date and terminate on June 30, 2014 unless terminated sooner.

EFFECTIVE DATE

15. The effective date of this Agreement is the date the parties sign the Agreement. If the parties sign the Agreement on more than one date, then the last date the Agreement is signed by a party shall be the effective date.

TERMINATION

16. The County or Lender may terminate this Agreement, without cause, upon thirty (30) days written notice.
17. The County may terminate this Agreement and prohibit the Lender from participating in the MCC Program upon the Lender's failure to comply with the terms and conditions of this Agreement. County shall give written notice to Lender specifying the failure to comply, the action required to cure, if possible, and date such action to cure must be taken, which shall not be more than thirty (30) calendar days from the mailing of the written notice.

RECORDS, REPORTS, ACCESS

18. The Lender shall file any and all reports required to be filed with the Internal Revenue Service and shall maintain all records required to be maintained by it pursuant to Section 25 of the Internal Revenue Code of 1986 as amended from time to time and any regulations thereunder.
19. Authorized County representatives shall have the right to monitor, assess and evaluate the Lender's performance.

COMPLIANCE WITH LAWS AND REGULATIONS

20. The Lender warrants that it is familiar with the Internal Revenue Code and all temporary and permanent regulations issued pursuant thereto applicable to the MCC Program as well as all provisions of state law applicable to the MCC Program and the requirements

established by the County, including, but not limited to, the MCC Program Policies and Procedures Handbook.

21. The Lender hereby agrees to comply with all provisions of applicable federal, state and local law, regulations and guidelines.

HOLD HARMLESS AND INDEMNIFICATION

22. Lender shall indemnify and hold harmless the County, its elected officials, its members and its respective agents, directors, servants and employees of and from any all liabilities, claims, debts, damages, demands, suits, actions and causes of action whatsoever kind, nature of sort including, but not by way of limitation, wrongful death, expense of the defense of said parties, and the payment of reasonable attorneys' fees, arising out of or in connection with the performance by Lender under this Agreement; except for, however, any claims or damages arising from the sole negligence, fraud or misrepresentation of the County or its representatives.

NOTICES AND CONTACT PERSON

23. Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth in Section 24. In the event that the Lender moves or changes its address or telephone number, the Lender shall notify the County in writing, within 15 business days, of the new information.
24. The Lender shall designate one person to serve as the Lender's Contact Person for the MCC Program.
The Contact Person's responsibilities include:
- c) submitting Form 8329 to the IRS for any MCC's issued for all borrowers from the Lender for the calendar year; and
 - d) updating information provided by County available to all MCC-related personnel in a timely manner; and
 - e) notifying County, within 15 business days, of any reassignment regarding their role as Contact Person.

Contact Person for the Lender shall be:

Name: _____
Address: _____
Telephone: _____
FAX: _____
E-Mail Address: _____

Contact Person for the County shall be:

Name: Leslie Trainor, Senior Development Specialist
Address: 3403 10th Street, Suite 500, Riverside, CA 92501
Telephone: (951) 955 - 3389
FAX: (951) 955 - 3426
E-Mail Address: ltrainor@rivcoeda.org

LENDER'S AUTHORIZED AGENT

25. In addition to the Lender's Contact Person, the Lender shall designate authorized agents (collectively hereinafter referred to as "Agent").

a) Submitting Agent's Name.

- i) The MCC Officer for the MCC Lender Participating Branch, who is identified in Exhibit A, shall submit the name of the Agent to County after the Agent completes the required EDA training session.
- ii) County will place the Agent on EDA's Participating Lender's list, which is made available to the public and provided on EDA's website.
- iii) The Agent's name shall be submitted to County at the address identified in Section 24 herein.

b) Agent's Responsibilities. The Agent will be responsible for the following:

- i) Submitting complete MCC applications to EDA.
- ii) Attending the EDA required training sessions.
- iii) Submitting complete closing documents to EDA within the time specified in the MCC Program guideline.
- iv) Maintaining Active Status as defined in Section 25(c)(i) below.

c) Agent's Active Participation.

- i) In order to ensure the Agreement's Statement of MCC Quality Commitment, within six (6) months of the MCC Officer submitting the Agent's name to the County, Agent shall submit one complete MCC package to EDA resulting in EDA issuing a MCC Certificate ("Active Participation".)
- ii) Agent's failure to achieve Active Participation will result in the Agent's name being removed from the County's Participating Lender's List and will be excluded from further participation in the MCC Program for a period of six months from date of removal.
- iii) After the six months suspension period, Agent may participate after repeating the EDA required training session, as long as the Lender is still in the active status as defined in Section 12 of this Agreement.

ENTIRE AGREEMENT

26. It is expressly agreed that this Agreement and those documents incorporated herein by reference or attachment embodies the entire agreement of the parties in relation to the subject matter hereof, and that no other agreement or understanding, verbal or otherwise, relative to this subject matter, exists between the parties at the time of execution.

SECTION AND PARAGRAPH HEADINGS

27. Captions of the sections and paragraphs of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

AUTHORITY TO EXECUTE

28. The undersigned certifies that, under penalty of perjury, he or she is authorized to sign this agreement on behalf of the Lender. This Agreement shall not be effective unless and until the Lender provides a corporate resolution or other documentation satisfactory to the County showing that _____ (the person signing this Agreement) has the authority to sign this Agreement on behalf of the Lender.
29. This Agreement shall have no force or effect whatsoever unless and until it is signed by all of the undersigned parties. Once signed by all of the undersigned parties, this Agreement shall authorize and be binding upon the branch offices of Lender that are located in or serving Riverside County.

NO AGENCY RELATIONSHIP

30. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of association between County and Lender.

AMENDMENTS OR MODIFICATIONS

31. No amendments or modifications of any of the provisions of this Agreement shall be binding unless in writing and signed by both County and Lender.

ASSIGNMENT

32. Lender shall not assign any interest in this Agreement, and shall not transfer any interest in the same, whether by assignment or novation, without the prior written consent of the County.

WAIVER

33. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

GOVERNING LAW

34. This Agreement shall be construed and interpreted according to the laws of the State of California. Jurisdiction and venue shall be agreed to be in the appropriate courts in the County of Riverside, State of California.

SEVERABILITY

35. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect.

COUNTERPARTS

36. This Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

IN WITNESSETH WHEREOF, this Agreement has been executed by and between the undersigned parties.

LENDER

Dated: _____

By: _____

Name of Firm

Signature of Authorized Person

Typed Name of Authorized Person

Title

Address

Phone Number:

COUNTY

Dated: _____

By: _____

Signature of Authorized Person

John Aguilar, Deputy Director

NOTE: A photocopy of your State of California, Department of Corporations license certificate and a corporate Resolution or other documentation referenced in Section 28 of this Agreement must be attached to this Agreement. If the Lender is using a "Doing Business As" (DBA) name, it must also submit a copy of the DBA statement or assumed name certificate filed with the State or County.

APPENDIX C

List of Lenders Who are Currently Corporate Approved with the MCC Program

The following lenders are corporate approved with the MCC Program as of February 23, 2012. The lenders listed below have successfully entered into Agreements with the County of Riverside to participate with the MCC Program. The expiration date of the current Agreements is June 30, 2014.

The below listed lenders are not required to complete the MCC Program portion of the RFQ. However, any of the below listed lenders who wish to participate with the FTHB and NSHP programs are required to complete the HOMEOWNERSHIP PROGRAMS portion of the RFQ.

- American Financial Network
- Bank of America
- DHI Mortgage
- Gateway Funding Diversified Mortgage Services
- Golden Empire (DBA Pacific Sunrise)
- Guild Mortgage
- Imortgage
- Mortgage Solutions of CO
- Mountain West (DBA Loanplex Mortgage, Regal Mortgage of High Desert, Financial 2000, Mortgage Works Financial, High County Mortgage, Metro Financial Services, and Westin Mortgage)
- PRMG
- Pinnacle Capital Mortgage (DBA Oxford Capital and Blue Vista Mortgage)
- Prime Lending
- Prospect Mortgage
- Provident Bank Mortgage
- Pulte Mortgage
- Real Estate Mortgage Network
- Standard Pacific Mortgage
- Wells Fargo
- Wholesale Capital Corporation
- WJ Bradley Mortgage Capital