

Please return to: Community Development Division
5640 Main Street, Suite 200
New Port Richey, FL 34652

PASCO COUNTY HOME BUYERS PROGRAM LETTER OF UNDERSTANDING

January 22, 2009

This agreement is for the purpose of setting procedures for the Pasco Home Buyers Program. This program is being funded with State and Federal money and administered by the Pasco County Community Development Division.

County Funding:

Pasco County will provide funds to aid home buyers in purchasing primary residences. The County will fund the "gap" between what the financial institution requires as a down payment.

The funds Pasco County will provide will be in the form of 0% loans. This is defined in the Home Buyer Assistance Manual (attached as Exhibit 1).

Loans and Loan Position:

The loan of the financial institution must be larger than Pasco County's loans. Pasco County will take no lower than second position. This may be waived by the Pasco County Community Development Manager.

Client Information to be Shared with County:

The financial institution must present to the County a copy of the following documents and information:

1. Application
2. Income and Employment Verification
3. Credit Information
4. Property Appraisal
5. Sales Information
6. Title Report
7. Estimated Housing Costs

Once the County is in receipt of this information and any other information required by the funding source, a decision will be made on the loan within three working days.

Eligible Housing:

Eligible housing shall be defined by the source of funding to the homebuyer.

Home Buyers Selection Process:

Home buyers must be approved by the financial institution for the loan before an application is submitted to the County for processing. Their only deficit must be the lack of funds needed for the "gap".

Once the home buyer is chosen, the financial institution must call the Community Development Division to check on fund availability. If funds are available, the Community Development Division will reserve the funds for the client until the application is reviewed. If the application is rejected, the reserved funds are placed back into the larger fund.

Nondiscrimination:

The financial institution agrees not to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap.

Other Requirements:

Loans must meet all Sadowski Act, HOME, and Neighborhood Stabilization Program requirements.

Selection of Clients:

If home buyers meet all criteria, they may or may not be selected as a loan recipient. This shall depend on fund availability and limitations on the amount of funds each income group may receive.

Closing:

The Community Development Division will supply mortgage and promissory note documents. The financial institution must procure for the County title insurance on its loan.

Statement of Compliance:

The lender agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>).

Program Involvement (Check with one or both that apply):

_____ Homebuyer Assistance Program (HAP): The Lender will participate in the HAP, which provides homebuyer financing to households to purchase homes.

_____ Purchase-Rehab Program (PRP): The Lender will participate in the PRP, which will allow the County to finance the repairs on the home after the household purchases the property. The County will manage the construction, pay construction draws, and ensure that the home meets all necessary standards to meet the Pasco County Community Development Homebuyer and Rehabilitation Programs Minimum Housing Standards.

Lenders may put their own limits on their involvement with these programs.

Financial Institution (Signature)

Pasco County Community
Development Division

Print Name of Signatory

Print Name of Financial Institution

Address _____

Phone Number

Fax Number or E-mail