

City of Columbus  
Housing Division  
American Dream Downpayment Initiative  
Lender Participation Agreement

This agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ the (Lender) and the City of Columbus (City), for participation and the administration of the American Dream Downpayment Initiative (ADDI).

Whereas, the City is the grantee of funds from the United States Department of Housing and Urban Development (HUD) from the HOME Investment Partnerships (HOME) Program as referenced in 24 CFR Part 92, and;

Whereas, the eligible participating Lender agrees to implement the City ADDI guidelines to meet statutory and regulatory requirements intended to assist low and moderate income households, whose incomes are at or below 80% of the area median income and;

Whereas, City and Lender desire to set forth the terms under which City shall make ADDI funds available to Lender's clients;

NOW, THEREFORE, WITNESSETH, the City and the Lender do mutually agree as follows:

- A. City shall commit ADDI funds to eligible applicants on a first come, first served basis.
- B. Lender shall submit to the City only eligible applicants for ADDI assistance;
  - 1. The City's Commitment Letter will guarantee downpayment assistance to the applicant, to be provided at closing.
  - 2. The property must be located within city of Columbus municipal corporation limits and within the Columbus Public School System.
  - 3. The property will serve as the recipient's primary residence as referenced in 24 CFR 92.254, i.e., single family dwelling, condominium, new construction with occupancy permit; meet property standards as outlined in 24 CFR 92.251; and all city building codes.
  - 4. Lender shall disclose total annual household income for all residents over 18 years old.
  - 5. Applicants must be eligible for a fixed rate mortgage loan with ratios of 35/45.
  - 6. Applicants must have a need for assistance as determined by the city of Columbus Housing Division and have a household income at or below eighty (80%) of the area median income adjusted for household size as determined by HUD. The applicant's own saved funds are the only source of funds to be used for the requirement to provide \$500 in equity.
  - 7. ADDI funds shall be used only for downpayment and reasonable closing costs, rate reduction, or principal reduction, in that order. ADDI cannot be used for debt elimination.
  - 8. Homebuyer education must be provided to the applicant by an agency that is approved by the city of Columbus, Housing Division.
  - 9. Applicants must execute a Promissory Note, Mortgage and a Restrictive Covenant with the city of Columbus requiring the applicant to occupy the housing unit for a period of not less than five (5) years.
  - 10. First-time homebuyer is defined at 24 CFR 92.2 which includes an individual and his or her spouse who have not owned a home during the three (3) year (the past 36 month) period prior to purchase of a home with assistance under the American Dream Downpayment Initiative. The term "first-time homebuyer" also includes an individual who is a displaced homemaker or single parent.
  - 11. Lender will be responsible for training lender's staff for participation utilizing ADDI funds in conjunction with a first lien mortgage.
- C. In the event that Lender fails to provide complete required documentation, misrepresent the City ADDI, close without a fully executed Promissory Note, Mortgage, and Restrictive Covenant, or falsify documents, it shall result in Lender disqualification from future participation in the City ADDI.
- D. This Agreement shall supersede all previous communications, representations or agreements, either written or oral, between the parties of this Agreement.

IN WITNESS WHEREOF, City and Lender have caused this agreement to be executed on the day and year first above written.

CITY OF COLUMBUS

LENDER

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Tax ID #

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Signature

Department of Development  
Housing Finance  
50 West Gay Street, 3<sup>rd</sup> Floor  
Columbus, Ohio 43215

\_\_\_\_\_  
Printed Name and Title

Lender Name and Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact and Phone Number \_\_\_\_\_

\_\_\_\_\_

SWORN TO BEFORE ME and subscribed in my presence this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Ohio  
My Commission Expires \_\_\_\_\_