

**CITY OF COLUMBUS
DEPARTMENT OF DEVELOPMENT
DIVISION OF HOUSING
AMERICAN DREAM DOWNPAYMENT INITIATIVE
LENDER PARTICIPATION AGREEMENT**

***APPROVED AS TO FORM BY THE CITY ATTORNEY’S OFFICE. ANY ALTERATIONS OF LANGUAGE WILL
RESULT IN REVOCATION OF CITY ATTORNEY APPROVAL.***

This American Dream Downpayment Initiative Lender Participation Agreement (“Agreement”) is made between the City of Columbus, Department of Development, having its offices at 111 N. Front St., 3rd Fl., Columbus, Ohio 43215 (“City”) an Ohio municipal corporation, and

_____, a _____,
Lender’s official business name as registered with the Secretary of State *company type as registered with the Secretary of State*
 (“Lender”), having its principal office at _____.
Lender’s business address

WHEREAS, the City offers American Dream Downpayment Initiative (“ADDI”) loans (“Program”) to homebuyers (“Recipient”) who meet the eligibility criteria of the Program; and

WHEREAS, the City is a recipient of HOME Investment Partnerships (“HOME”) Program funds (24 CFR Part 92) from the U.S. Department of Housing and Urban Development (“HUD”) and a portion of these funds support this Program; and

WHEREAS, the City also provides non-federal funds to support this Program; and

WHEREAS, those Columbus residents whose incomes are at or below 80% of the area median income are eligible for homebuyer federal-fund assistance and those whose incomes are at or below 120% of the area median income are eligible for homebuyer non-federal fund assistance; and

WHEREAS, the Lender desires to partner with the City for this Program by sharing Program information with their clients and applying to the City on behalf of their client; and

WHEREAS, this Agreement is authorized by Ordinance No. 0024-2024, passed by Columbus City Council on January 22, 2024; and

WHEREAS, City and Lender desire to set forth the terms under which City shall make down payment assistance funds available to Lender’s clients; and

NOW, THEREFORE, WITNESSETH, in consideration of the mutual promises as hereinafter set forth, the parties agree as follows:

1. Program Overview

- 1.1. ADDI is a City program that provides downpayment and closing cost assistance to qualified homebuyers.

- 1.2. The City provides two different funding sources for this program: HOME Investment Partnerships (“HOME”) Program funds from the U.S. Department of Housing and Urban Development (“HUD”) as well as non-federal funds (City funds). Comparable Program requirements apply to both funding sources, except for income eligibility. Income eligibility is different for each funding source.
- 1.3. The City partners with home financing lending institutions to identify Recipients for the Program. The City does not make payment to the Lender for services provided under this Program. The Lender is not a subrecipient, as defined in 2 CFR 200.

2. Contract Term

- 2.1. The term of this Agreement is for five (5) years from the date of the last signature on the Agreement. The Agreement shall not automatically renew.

3. City’s Responsibilities

- 3.1. The City shall accept applications from the Lender, on behalf of their client, for downpayment and closing cost assistance using a designated electronic portal. The City shall provide the Lender portal information and access after execution of this Agreement. If the Lender is unable to access the portal, the City may, but is not required to, allow for submission of applications via U. S. mail or via a Lender’s secure electronic portal.
- 3.2. Upon submission of all required information and compliance with program guidelines, as described in Exhibit A, and approval of the application by the City, the City shall issue a Commitment Letter obligating funding for the home acquisition for the Recipient.
- 3.3. Upon timely receipt from the Lender of notice of closing, copies of necessary closing information, and adequate time to issue a Closing Disclosure to the Recipient, as described in Exhibit A, the City shall provide City loan documents and funding to the designated closing agent.
- 3.4. The City shall provide a training program for Lender’s staff who will assist clients with this Program. Upon completion of the training, the staff person shall receive a Certificate of Completion, which authorizes that person to assist Lender’s clients with this Program. The training is assigned to the staff person, not the Lender, and may follow the staff person to another lending entity. Before the new lending entity can utilize the staff person’s ability to participate in this Program, the new lending entity shall execute a Lender Participation Agreement.
- 3.5. The guidelines included in Exhibit A may be updated from time to time by the City and updates shall be transmitted to Lender prior to effective date of the update. The update shall include instructions related to loans in progress around the effective date.

Updates to the Lender shall be submitted to:

Name: _____

Email address: _____

Name: _____

Mailing Address: _____

4. Lender’s Responsibilities

- 4.1 As a partner with the City, the Lender agrees to implement the City’s Program guidelines, attached as Exhibit A, as required by federal and local statutory and regulatory requirements.
- 4.2 Lender shall only submit applications to the City for eligible Recipients, as defined in Section 5 herein. Incomplete or ineligible applications, as defined by the City, shall be identified and notice provided to the Lender with explanation.
- 4.3 Lender shall ensure that all staff who participate in this Program shall complete a City-created training program before initially participating in the Program. Lender shall also ensure that all staff who participate in this Program shall complete the City-created training program upon Agreement renewal. Only Lender staff who have completed the training shall interact with the City for fund requests that include the Program. When an application is submitted to the City, a copy of the staff person’s training Certificate of Completion shall be included.
- 4.4 While the Lender is a partner with the City for this Program, the Lender does not represent the City.
- 4.5 Lender shall close all City-funded, owner-occupied home acquisition loans with fully executed City Loan Documents, which include a Loan Agreement, Promissory Note, Mortgage, and Restrictive Covenant, for the benefit of the City. The Mortgage and Restrictive Covenant shall be recorded by the Lender in the County where the property is located.
- 4.6 Lender shall assure that all executed Loan Documents are returned to the City within 3 days of closing. Recorded City loan documents shall be provided to the City promptly after recording, but not more than within 30 days of the execution of the documents. Only original documents with wet signatures, not copies, are acceptable.
- 4.7 The Lender shall not misrepresent the Program, the City, or falsify documents. Should this occur, the City reserves the right to terminate this Agreement for cause

as described in Section 7. The City is only responsible for providing downpayment and closing cost assistance to Recipients and up to the amount as described in Exhibit A. Any statements made beyond this Agreement, including Exhibit A, by the Lender to a Recipient shall be at the Lender's expense or obligation.

5. Process

- 5.1 Using the eligibility requirements included in Exhibit A, the Lender shall evaluate clients for participation in the Program.
- 5.2 If a client meets all the eligibility requirements, the Lender shall submit the application and all the required documents to the City, as noted in Exhibit A.
- 5.3 Upon receipt of the application, the City shall review the application. If the application is approved by the City, the City shall issue a Commitment Letter to the Lender that will provide terms and conditions for providing downpayment assistance to the Recipient with funding provided at closing.
- 5.4 At closing, Recipient shall execute the City Loan Documents, requiring the Recipient to occupy the property for the time period required in 24 CFR 92.254(a)(4), as amended. The time period in 24 CFR 92.254(a)(4) applies to all ADDI loans, regardless of funding source.

6. Terms and Conditions

6.1 Applicable Laws, Remedies

6.1.1 This Agreement shall be governed in accordance with the laws of the State of Ohio and the ordinances, statutes, and provisions of the Columbus City Code and Charter; specifically including, but not limited to Charter Sections 159 and 161. All claims, counterclaims, disputes, and other matters in question between the City, its agents, and employees, and the Lender arising out of or relating to this Agreement or its breach will be decided in a court of competent jurisdiction within the County of Franklin, State of Ohio.

6.1.2 Fair Lending – the Lender shall comply with all fair lending laws, including but not limited to:

6.1.2.1 Fair Housing Act

- .1 Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, 42 U.S. Code 3601 et seq., prohibits discrimination in the sale, rental, and financing of residential dwellings, and in other

residential real estate related transactions, based on race, color, national origin, religion, sex, familial status (defined as families with children under the age of 18 living with parents or legal custodians, pregnant women, or people in the process of securing the custody of children under the age of 18), and disability.

6.1.2.2. Equal Credit Opportunity Act

- .1 This Act (Title VII of the Consumer Credit Protection Act) prohibits discrimination on the basis of race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or good faith exercise of any rights under the Consumer Credit Protection Act. The Act also requires creditors to provide applicants, upon request, with the reasons underlying decisions to deny credit. The Dodd-Frank Act added, among other things, a requirement that creditors provide to applicants a copy of all appraisals and other written valuations used in connection with the applicant's application for first lien loans secured by a dwelling.

6.2. Termination

- 6.2.1. If either the City or the Lender violates any material term or condition of this Agreement or fails to fulfill in a timely and proper manner its obligations under this Agreement, then the aggrieved party shall give the other party (the "responsible party") written notice of such failure or violation. The responsible party will correct the violation or failure within thirty (30) calendar days or as otherwise mutually agreed. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party. The option to terminate shall be at the sole discretion of the aggrieved party.
- 6.2.2. When it is in the best interest of the City, the City may terminate this Agreement, in whole or in part by providing at last seven (7) calendar days written notice to the Lender prior to the effective date of termination.
- 6.2.3. If this Agreement is terminated while the Lender is in the loan application and approval process with a client or Recipient, Lender shall, within three business (3) days of termination, notify the client or Recipient that Lender is no longer part of the City's ADDI program, and that the Client or Recipient may choose to terminate its relationship with the Lender and seek another Lender who remains part of the City's ADDI program.

6.3. Nonexclusive Remedies

6.3.1. The remedies provided for in this Agreement shall not be exclusive but are in addition to all other remedies available under the law.

6.4. Save Harmless/Indemnification

6.4.1. Lender shall protect, indemnify, and save the City harmless from and against any damage, cost, or liability, including reasonable attorneys' fees, resulting from claims for any or all injuries to persons or damage to property arising from intentional, willful, or negligent acts or omissions of Lender, its officers, employees, agents, or Subcontractors. The City will not indemnify the Lender and is prohibited from doing so.

6.5. Severability

6.5.1. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions for the Agreement are declared severable.

6.6. Assignment

6.6.1. This Agreement shall not be assigned.

6.7. Authority to Bind

6.7.1. The signatories to this Agreement represent that they have the authority to bind themselves and their respective organizations to this Agreement.

7. Attachments

7.2. Exhibit A – ADDI Guidelines

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates below.

COLUMBUS

LENDER

Michael H. Stevens
Director

Template Approved as to Form
DOD Fiscal, A. Cofield, 3/22/2024
CAO, J. Cartee, 3/22/2024

Signature

Print Name

Title

Date

Tax ID #

Address 1

Address 2

Phone Number

Email

The foregoing instrument was acknowledged before me on this _____ (date) by _____ (Notary). Sworn to or affirmed and subscribed before me by _____ (Lender) on this date of _____ (date).

Notary Public, State of _____

My Commission Expires _____