

LENDER PARTICIPATION AGREEMENT

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

WITNESSETH:

WHEREAS, the Tax Reform Act of 1984 established the Mortgage Credit Certificate (hereinafter referred to as ("MCC")) Program as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, pursuant to Chapter 1399, Statutes of 1985 Section 50197, et seq of the Health and Safety Code, the County is authorized to issue MCCs and administer MCC Programs; and

WHEREAS, by resolution R-89-182 adopted on February 28, 1989 have established an MCC Program and directed the County to administer the MCC Program pursuant to applicant federal, state and local policies and procedures; and

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

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

1. County hereby designates Lender as its agent for receipt and processing of applications for MCCs under the County Mortgage Credit Certificate Program.
2. Lender will make information regarding the MCC Program available to potential applicants. Lender will process and review the application for any potential applicant in order to determine eligibility for the MCC Program.
3. Lender will obtain from the applicant all documents and information required for the application for an MCC as directed by the County.
4. Lender will perform all investigation and verification that it would normally perform for underwriting a mortgage not provided in connection with an MCC.
5. 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 County eligibility requirements.
6. 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 guidelines established by County. Lender hereby agrees to comply with all provisions of applicable federal and state law, and said regulations and guidelines.
7. Lender will charge a potential applicant applying for an MCC only those reasonable fees as would be charged to a potential applicant applying for mortgages not provided in connection with an MCC.
8. Lender must charge each applicant an application fee of \$500 for each initial MCC; \$750 for each reissued MCC. This fee must be submitted to County with the Initial Application in the form of a cashier check, money order, or Lender company check. In addition, Lender may charge the applicant \$75 for processing the MCC application.
9. Lender hereby agrees that it will immediately report to the County all information which it may receive during the life of the mortgage loan which indicates that a misrepresentation may have been made in applying for an MCC, or that may affect the applicant's continued eligibility for an MCC.
10. This Agreement shall remain in full force and effect until terminated. Lender may terminate this agreement, without cause, upon sixty (60) days written notice to County. Further, County may terminate this Agreement and prohibit Lender from participation in the MCC Program upon Lender's failure to comply with the terms and conditions of this Agreement and upon written notice by County. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.
11. Lender agrees to pay a participation fee of \$750. For each consecutive year Lender must pay a \$300 annual renewal fee and attend a refresher training session.

THIS AGREEMENT is entered into as of the day and year written above.

Office Location: _____

Telephone/FAX: _____/_____
Contact Person: _____

Lender: _____
By: _____
Title: _____