



**BOARD COORDINATOR
GENESEE COUNTY BOARD OF COMMISSIONERS**

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FLINT, MICHIGAN 48502

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AMY ALEXANDER
COORDINATOR

**COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
Monday, November 30, 2015, 9:30 a.m.
AGENDA**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. MINUTES – November 9, 2015**
- IV. PUBLIC HEARING**
 - A. C113015IVA: Genesee County Community Development Block Grant Program and 2016 Action Plan**
- V. PUBLIC COMMENTS TO THE COMMITTEE**
- VI. COMMUNICATIONS**
- VII. COMMUNITY DEVELOPMENT**
 - A. C113015VIIA: Lease to Purchase Program**
 - B. C113015VIIB: HOME Down Payment Assistance Program Lien Policy Change**
 - C. C113015VIIC: HOME Down Payment Assistance Program Participating Lender Agreement**
- VIII. ECONOMIC DEVELOPMENT**
- IX. ENVIRONMENTAL BUSINESS**
- X. OTHER BUSINESS**
- XI. ADJOURNMENT**

MEMORANDUM

TO: Commissioner Tony Brown, Chairperson
Community and Economic Development Committee

FROM: Derek Bradshaw, Director-Coordinator
Genesee County Metropolitan Planning Commission

DATE: November 30, 2015

SUBJECT: Lease to Purchase Program

In an effort to meet the goals of the Genesee County Consolidated Plan and provide additional affordable housing opportunities to the residents of Genesee County, Genesee County Metropolitan Planning Commission (GCMPC) staff is proposing the implementation of a Lease to Purchase Program. The Program will be administered for any of the properties owned by Genesee County under the HOME Investment Partnership Program or the Neighborhood Stabilization Program.

The full policy is attached, however, the following information provides highlights of the Program:

- ❖ Applicants must:
 - a. Make no more than 80% of median income, adjusted for household size, according to U.S. Department of Housing and Urban Development (HUD) income guidelines
 - b. Be credit worthy
 - c. Be able to qualify for a mortgage with a Genesee County approved lender
 - d. Successfully complete 8 hours of homebuyer counseling from a HUD approved agency
 - e. Submit a complete Preliminary Homebuyer Application
- ❖ The property can be leased 1 – 6 months, dependent upon the terms of the lease and all lease payments will be credited toward the purchase price of the property
- ❖ Lessee must make all lease payments each month, showing a timely payment history



- ❖ Down Payment Assistance may be made available, determined on a case by case basis
- ❖ The property must be purchased as the primary residence of the buyer

At this time, the Genesee County Allocation Committee is recommending approval by the Community and Economic Development Committee to implement a Lease to Purchase Program according to the policy provided.

Policies Manual

Genesee County Lease to Purchase Program

PURPOSE

The purpose of the Genesee County Community Development Program is to directly address the objectives of the Housing and Community Development Act of 1974 by eliminating slums, reducing blight, and providing decent, safe and sanitary housing and suitable living environment for the residents of Genesee County. The purpose of Genesee County's Lease to Purchase program is to provide affordable housing to the residents of Genesee County. The goal is to lease properties and transfer ownership within 6 months to potential homebuyers. This program will:

- Provide a mechanism to get homes occupied rather than being vacant for long periods of time
- Allow time for potential homebuyers to resolve credit issues and become mortgage ready as well as homeowner ready
- To allow time for potential homebuyers to accumulate a "rebate" to utilize toward down payment at time of ownership transfer

ELIGIBILITY REQUIREMENTS

Activity Area

Eligible projects must be located in Genesee County, within CDBG Participating Communities, excluding the City of Flint.

Eligible Projects

The Genesee County Lease to Purchase Program will focus upon the single-family properties held in ownership by the Genesee County Land Bank Authority, in partnership with the Genesee County Metropolitan Planning Commission.

Eligible Applicants

The program is available to:

- Families with incomes at or below 80% of the current Area Median Income for the HOME program as determined annually by HUD.
- Previous homeowners reentering the housing market (cannot own or have an interest in any other property).
- Applicant must complete 8 hours of homebuyer counseling from a HUD approved housing counseling agency.

- Home must be purchased for the primary residence.
- Applicant must be able to qualify for a mortgage.

The following items will also be utilized to determine whether a lease to purchase applicant will be considered eligible for the program:

- Review of income for the last two years
- Review of credit scores (must have a score of 650 or achieve that score prior to transfer of property)
- At least 6 months of employment at the same job is required
- A debt payment history that shows a back-end ratio of not more than 45%
- A rental history that shows 6 month history of on-time rental payments
- A savings account with no less than \$500
- Review of bank statement activity

TERMS of PROGRAM

Household Income

Income shall be defined as all income, from whatever source, of the members of a household residing in the same dwelling unit.

The applicant's household includes the applicant, and any other person or persons who share the same dwelling unit. If ownership of the property will rest with more than one person, the applicant is each owner and respective family member. An applicant's income is established on an annual basis, at the time of application for assistance, unless employer contact indicates strongly that current earnings are misrepresented (e.g., short term layoff). Applicant income includes:

1. The applicant and spouse's gross earnings which are anticipated to be received during the upcoming 12 month period.
2. Other earnings or income received by the applicant or his family from any source. (interest, dividends, income from any kind of real property, etc.)
3. The net income earned from the operation of a business or profession.

For those persons self-employed or having variable incomes, the previous year's tax return will be used to determine the gross annual earnings. This information will be supplemented by year-to-date figures, or an average of

the previous two year's tax returns, if there is a possible misrepresentation in the most recent tax statements.

In order that the purpose and goals of the loan program be maintained, applicants with "extraordinary assets" or "substantial financial assets" (stocks, bonds, mutual funds, 401K accounts, etc.), shall not be eligible for loan assistance. Extraordinary assets shall be defined as cumulative liquid assets totaling more than \$30,000, after allowance is made for one car, one primary residence, necessary furnishings and personal belongings, and property associated with self-employment.

Lease

The lease term will be 1 to 6 months based upon the terms specified in the lease to purchase agreement. All rental payments made during the lease period will be applied toward the purchase of the property.

Required Down Payment

In addition to the security deposit and payment of one month's rent to be paid at the time of lease signing, the lease to purchase candidate must show evidence of a minimum savings account balance of \$500. At the time of purchase, the buyer will be required to comply with mortgage lender requirements.

Down Payment Assistance will be made available on a case by case basis to assist with down payment and closing costs. The amount made available will be up to \$5,000.

Homebuyer Counseling

The County will require housing counseling prior to and during the leasing period. A certificate will be issued prior to, or during the lease period, to verify at least 8 hours of homeownership counseling from a HUD-certified housing counseling agency.

Exit Strategy

A lease to purchase agreement is structured to handle an eviction if the lessee fails to perform well as a tenant or as a lease purchaser. For the lease purchaser who proves to be a compliant tenant but does not meet all of the purchase requirements, the County will consider providing an alternative option and/or an extension of the rental period.

Purchase Price

GCMPC staff will work with local realtors to review comparable properties in the area and determine the selling price of the property.

MEMORANDUM

TO: Commissioner Tony Brown, Chairperson
Community and Economic Development Committee

FROM: Derek Bradshaw, Director-Coordinator
Genesee County Metropolitan Planning Commission

DATE: November 30, 2015

SUBJECT: HOME Down Payment Assistance Program Lien Policy Change

Genesee County currently provides down payment and closing cost assistance to low and moderate income first-time homebuyers purchasing homes in out-county communities. This assistance requires that a lien be placed on the home in the amount of the assistance provided by the County. This is a no-interest deferred payment lien. Genesee County's current policy states:

HOME funds utilized to provide Down Payment Assistance (DPA) to eligible homebuyers during the purchase of their single family homes will be one hundred percent (100%) recaptured to the Genesee County HOME Investment Trust Fund upon sale or foreclosure of the assisted property.

The following change to the policy is recommended:

HOME funds utilized to provide Down Payment Assistance (DPA) to eligible homebuyers during the purchase of their single family homes will be one hundred percent (100%) forgiven and released from payment five (5) years from the date of assistance.

The change to the policy is recommended for the following reasons:

1. It is an attempt to draw interest to the program because DPA assistance has dropped substantially since the downturn in the housing market. A lifetime lien on a property does concern homebuyers.
2. It requires less obligation from homebuyers, which may provide more interest in the program.
3. It puts our program in line with similar programs across the nation.

At this time, the Genesee County Allocation Committee is recommending approval by the Community and Economic Development Committee to amend the Down Payment Assistance Lien Policy.



An Equal Opportunity Organization

Equal Housing Opportunity



MEMORANDUM

TO: Commissioner Tony Brown, Chairperson
Community and Economic Development Committee

FROM: Derek Bradshaw, Director-Coordinator
Genesee County Metropolitan Planning Commission

DATE: November 30, 2015

SUBJECT: HOME Down Payment Assistance Program Participating Lender Agreement

The HOME Down Payment Assistance (DPA) Program's goal is to assist very low, low and moderate income families achieve homeownership. HOME DPA provides up to \$5,000 in down payment and closing cost assistance to each eligible homebuyer.

Genesee County Metropolitan Planning Commission staff works with local lenders to provide financial assistance to qualified HOME homebuyers. Staff asks that all lending institutions who wish to participate in the program be approved by the County Board and have a formal agreement with Genesee County. This ensures that local lenders are aware of, and in compliance with, HOME rules and regulations and that Genesee County's assistance programs are approved by the lenders' underwriters.

Genesee County currently has lender agreements in place with Chase Bank, Fifth Third Bank, FirstMerit Bank, and Talmer Bank and Trust. Attached, you will find a HOME DPA lender agreement with Metro Community Development, Inc. The participating lender agreement language was previously reviewed by Corporation Counsel.

At this time, the Genesee County Allocation Committee is recommending approval from the Community and Economic Development Committee to enter into an agreement with Metro Community Development, Inc. for the purpose of providing financial assistance to HOME DPA Program homebuyers.



AGREEMENT
FOR
Home Investment Partnerships Program (HOME) Down Payment Assistance

THIS AGREEMENT entered into this _____ day of _____, 2015, between the County of Genesee, A MUNICIPAL CORPORATION, acting by and through its Community Development Program, located at Room 223, County Administration Building, 1101 Beach Street Flint, Michigan 48502-1470, hereinafter referred to as the "County" and **Metro Community Development, Inc., a Domestic Nonprofit Corporation**, located at 503 S. Saginaw Street, Suite 804, Flint, Michigan 48502, hereinafter, referred to as the "Lender."

WITNESSETH:

WHEREAS, the County has applied for and received funds from the U.S. Department of Housing and Urban Development ("HUD"), under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (the "Act"), and hereby offers financial assistance to eligible homebuyers to acquire affordable homes in accordance with the requirements of Section 24, Code of Federal Regulations (CFR), under Home Investment Partnerships (HOME) Program, as set forth in Parts 91 and 92; and

WHEREAS, the purpose of the County HOME Program is to assist very low, low and moderate income families achieve homeownership; and

WHEREAS, the HOME Program promotes the development and strengthening of partnerships between the County and local financial institutions; and

WHEREAS, the Lender is a primary home mortgage lender, and the County and Lender desire to expand the availability of decent, safe, sanitary and affordable housing for very low, low and moderate income families by coordinating their activities under the methods and procedures set forth herein; and

WHEREAS, the Lender agrees that the terms and conditions set forth herein are a reasonable and appropriate means to assure the use of funds in compliance with the Act, the Authority's General Rules, the provisions of 24 CFR Parts 91 and 92; and

WHEREAS, the above stated objectives of the County HOME Program are consistent with objectives of the Lender, the two parties have therefore, entered into this agreement for the purpose of providing down payment assistance to qualified homebuyers.

NOW, THEREFORE, the County agrees to provide the Lender a maximum of five thousand dollars (\$5,000) for each eligible homebuyer, for the purposes incorporated herein; and in consideration of the mutual covenants and promises set forth herein, the parties hereto agree as follows:

1. The Lender agrees to implement the HOME Program, more specifically described in Exhibit "A," attached hereto and incorporated herein, subject to limitations set forth therein and terms and conditions set forth in 24 CFR Parts 91 and 92. (Exhibit "B")
2. The Lender agrees to conduct marketing outreach of the HOME Program to low income families; residents and tenants of public housing and manufactured housing and mobile home park tenants; and families receiving assistance from public housing agencies.
3. The Lender agrees to determine eligibility and underwrite the Loan Application Package and shall forward to the County HOME Program and to the potential homebuyer, written notice of loan approval. Also, the Lender agrees to contact Genesee County to determine the availability of funds remaining in the HOME Program prior to final loan approval.
4. The lender agrees to provide certification that all homes to be assisted with HOME Program funds have been inspected by a licensed appraiser. Genesee will complete a certified Housing Quality Standards inspection and certify that the home meets Housing Quality Standards, upon the execution of the purchase agreement and payment of mortgage application fee.
5. The Lender agrees to provide each homebuyer with referrals to HUD approved Housing Counseling Agencies and to provide the County with referral documentation. (Exhibit "C")

6. The Lender agrees to process, document, and fund Buyer's first mortgage for the Program in all cases where Loan Application Packages have been approved by the Lender, according to all applicable laws, regulations, and Lender policies and procedures.
7. The Lender agrees to assure the signing of a second mortgage/lien in the amount of the HOME assistance, payable to the Genesee County HOME Investment Trust fund by way of the closing agent.
8. The County agrees that the second mortgage shall be subordinate to the mortgage/lien of the Lender.
9. In the event that the home is sold or that the owner ceases using the home as his/her principal residence, the owner understands, pursuant to agreement, that he would be responsible to pay the HOME Program consideration which he received, to the Genesee County HOME Investment Trust Fund. This shall be enforced with the use of a lien.
10. The Lender agrees to submit documents to include: certification of client income; loan application 1003, Good Faith Estimate; property appraisal; along with request to the County for payment of the DPA at a minimum of seven days prior to the loan closing. Upon receipt of all required documentation, the County agrees to prepare a payment and second mortgage documents that will be provided for the loan closing.
11. The County agrees to subsidize an amount up to five-thousand dollars (\$5,000) per approved mortgage, said sum to be used for down payment; prepaid taxes and insurance; interest rate buy down to qualifying homebuyer; and/or closing costs based on available HOME funds.
12. The County agrees to immediately notify the Lender upon exhaustion of available HOME funds.
13. The County assumes no credit risk for any loan made under the Program and shall not be liable or responsible in any manner for repayment of a loan in the event of a borrower's default on the promissory note with the Lender.
14. The term of this Agreement shall be for one year from the Genesee County Board of Commissioners approval date. This Agreement may be amended, so long as such amendment is in writing and agreed upon by both Genesee County and Lender.
15. This contract may be terminated by the County for reasons of diminution of funds, the Lender's fees are excessive when compared to other local lenders and/or industry standards, or any reason related to changing the objectives of the Genesee County Metropolitan Planning Commission, the HOME Program, or the Lender, by giving the other party fourteen (14) days prior notice of the effective date of termination. Further costs and liabilities associated with this Agreement will no longer be incurred on or after that effective date of termination.
16. The Lender shall assure that homebuyer does not exceed 80% of the current Flint and Genesee County median family income, pursuant to 24 CFR Parts 91 and 92.2. (Exhibit "D").
17. This agreement shall be governed by the laws of the State of Michigan.

METRO COMMUNITY DEVELOPMENT, INC.

GENESEE COUNTY

Date

Date

By: _____
Ravi Yalamanchi
Chief Executive Officer
Metro Community Development, Inc.

By: _____
Derek Bradshaw
Director-Coordinator
Genesee County Metropolitan Planning Commission

Witness:

Witness:

By: _____
Jamie W. Curtis, Chairperson
Genesee County Board of Commissioners

Witness:

NOTARY FOR THE COUNTY OF GENESEE

State of Michigan)
 §
County of Genesee)

On this _____ day of _____ 2015, before me a Notary Public in and for said County, personally appeared **Derek Bradshaw, Director-Coordinator**, who being by me sworn, did acknowledge and say that he is authorized to sign this agreement.

KIMELEY S. STOWELL
Notary Public, State of Michigan
County of Genesee
My Commission Expires: July 23, 2017
Date Notarial Act Performed: _____

NOTARY FOR METRO COMMUNITY DEVELOPMENT, INC.

State of Michigan)
 §
County of Genesee)

On this _____ day of _____ 2015, before me a notary public in and for said County, personally appeared _____ who being by me sworn, did acknowledge and say that he/she is authorized to sign this agreement.

PRINTED NAME OF NOTARY: _____
Notary Public, State of Michigan, County of Genesee
My Commission Expires: _____
Date Notarial Act Performed: _____

EXHIBIT "A"

A maximum of five thousand dollars \$5,000 per approved mortgage, in HOME Program funds may be available to the Lender to assist eligible buyers to purchase eligible homes. Additional funds may be made available upon request by lender and concurrence of County. The criteria are as follows:

1. PROGRAM ELIGIBILITY

Homebuyers eligible for assistance under the Program covered by this Agreement shall:

- Have an annual household income based on household size not to exceed 80% of the current median family income for Genesee County.

2. PROPERTY ELIGIBILITY

Property eligible for assistance under the Program covered by this Agreement shall:

- Be single family housing to include: one to four family residences; condominium units; cooperative units; combination of housing and lots or manufactured housing lots located in Genesee County outside the City of Flint.
- Be the principal residence of the homebuyer.
- Have a value not to exceed 95% of Genesee County's current median purchase price as established by HUD based on Section 203(b) Single Family Mortgage Limits. (Exhibit "D")
- Meet the Housing Quality Standards as set forth in 24 CFR Part 91 and 92.251
- Pass a lead based paint visual assessment.

3. PROJECT COSTS

The County subsidy may be used for the following eligible costs:

- (1) Acquisition costs - The cost of acquiring single family housing.
- (2) Related soft costs - Reasonable and necessary costs incurred by the homebuyer or participating jurisdiction and associated with the financing of single family housing acquisition and rehabilitation. These costs include, but not limited to:
 - (i) Costs to process and settle the financing for purchase of a home, such as private lender origination fees, credit report fees, fees for title evidence, fees for recordation and filing of legal documents, attorney fees, and private appraisal fees.
 - (ii) Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups.
 - (iii) Costs to provide information services, such as fair housing information to prospective homeowners.
 - (iv) Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting a potential homebuyer (e.g. housing counseling), which may be charged to project costs only if the individual purchases single family housing with HOME assistance.
 - (v) Costs of environmental review and release of funds (in accordance with 24 CFR part 58) that are directly related to the project.
 - (vi) Ineligible costs - HOME funds under this Agreement may not be used for the development costs (hard costs or soft costs) of new construction of housing for rental purpose.

EXHIBIT "B"

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) "FEDERAL REQUIREMENTS"

The Lender hereby assures and certifies compliance with the statutes, rules, regulations, and guidelines associated with the acceptance and use of funds under the HOME Investment Partnerships Program (HOME) as implemented pursuant to the regulations contained in 24 CFR Parts 91 and 92. The Genesee County Metropolitan Planning Commission through the Community Development Program, is administering this Program on behalf of the County of Genesee. These certifications and assurances shall include the following:

- A. The Lender shall use HOME Program funds for activities and costs defined as "such" under 24 CFR Part 92.602. (Exhibit "A")
- B. The Lender shall comply with the requirements of Executive Order 11063 24 CFR 107: 24 CFR 1 and 24 CFR 100 relating to Equal Opportunity in Housing, Fair Housing, and pertaining to the Title VI Civil Rights Act of 1964 regarding nondiscrimination in Federal programs.
- C. The Lender shall assure that the value of the property shall not exceed 95% of Genesee County's current Median purchase price as established by HUD based on Section 203(b) Single Family Mortgage Limits and pursuant to 24 CFR Parts 91 and §92.254. (Exhibit "D")
- D. The Lender shall assure that the property purchased is the owner's principal residence pursuant to 24 CFR Parts 91 and §92.254.
- E. The Lender shall provide certification that the property meets the Housing Quality Standard as set forth in 24 CFR Parts 91 and §92.251, pursuant to an inspection.
- F. The Lender shall assure that housing assisted with HOME funds meet affordability requirements contained in 24 CFR §92.254(a) and (c).
- G. The Lender acknowledges and agrees that it shall be subject to the sanctions set forth in HOME Regulations 24 CFR 92, if determined to be applicable by the County.
- H. The Lender shall comply with Conflict of Interest provisions in the procurement of property and services according to 24 CFR §85.36 and OMB Circular 110.
- I. The Lender shall provide certification of a second lien payable to Genesee County HOME Investment Trust.

EXHIBIT "C"

Exhibit "C" contains the following information:

Reimbursement Request Form
Lead Based Paint Visual Assessment Form
Genesee County Property Lien
Genesee County Subordination Policy
Deferred Payment Loan Promissory Note
Title Company Lien Guaranty Form
HUD Approved Housing Counseling Agencies

**FIRST-TIME HOMEBUYER DOWNPAYMENT ASSISTANCE LOAN PROGRAM
REQUEST FOR REIMBURSEMENT**

HOME Project # (for office use)	_____
Bank Account # (for office use)	_____

Name of Financial Institution: _____

Address: _____

Name of Homebuyer: _____

Property Address: _____

REIMBURSEMENT REQUEST

Closing Cost: _____

Down Payment Assistance: _____

Prepays: _____

Waived Fees: _____

Origination: _____

Lender must supply a copy of the following information as an attachment to the payment request:

- * Client mortgage application
- * Closing papers (final to be sent with lien & Promissory Note)
- * Client verification of income
- * Appraisal & Section 8 Housing Quality Standards inspection completed by a State Certified inspector.
- * Lien & Promissory Note (to be submitted within 10 days of closing)

Prepared By: _____

Date: _____

Staff Approved: _____

Date: _____

Lead Based Paint Visual Assessment Form

Property Address _____

Please circle the correct response:

- 1. Was the dwelling unit built before 1978?
Yes No

- 2. Has a visual assessment been conducted of all paint surfaces to identify all of the deteriorated paint?
Yes No

- 3. Does paint stabilization need to occur?
Yes No

- 4. If so, when did the paint stabilization occur? Date: _____

I have identified and inspected all paint surfaces and have not identified any deteriorated paint surfaces in this dwelling unit.

Signature: _____ Date: _____
Section 8 Inspector

I have stabilized all deteriorated paint surfaces in this dwelling unit.

Signature: _____ Date: _____
Lead Based Paint Supervisor

I have completed a clearance test and have determined that the dwelling unit passes inspection

Signature: _____ Date: _____
Certified Inspector/Risk Assessor

**GENESEE COUNTY HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM
PROPERTY MORTGAGE LIEN**

This Mortgage LIEN is in conjunction with a HOME Investment Partnerships Act Down Payment Assistance Program repayable loan made by the Mortgagee for the exclusive purpose of assisting the Mortgagor with down payment and/or closing costs for property as described below.

WITNESSETH BY THIS INDENTURE, made this day of _____, 2015,

by _____, hereinafter referred to as the Mortgagor, hereby mortgages and warrants to Genesee County, through its Genesee County Metropolitan Planning Commission, Community Development Program, HOME Investment Trust Fund, Room 223, Genesee County Administration Building, 1101 Beach Street, Flint, Michigan 48502-1470, hereinafter referred to as Mortgagee, the following described lands and premises situated in the _____, County of Genesee and State of Michigan, viz:

Tax Parcel No.:

Legal Description:

Commonly known as:

Together with all tenements, hereditaments, and appurtenances now or hereinafter thereunto belonging, to secure the

repayment of: _____ (\$ _____), with interest of zero percent (0 %) per annum, payable according to the following terms of a promissory note of even date; and the Mortgagor further covenants:

- (1) The Genesee County Down Payment Assistance program requires an affordability period for the entire time the Mortgagor remains owner beginning with the date of this Agreement. During that affordability period, the buyer will maintain the property as his or her principal place of residence.
- (2) The amount of the loan to be repaid, based upon the above terms, will be recaptured if the Mortgagor sells the aforesaid property within the required period of affordability or discontinues use of the premises as Mortgagor(s) (Homebuyer) principal place of residence.
- (3) In cases where the Mortgagor (Homebuyer) violates the terms and conditions of the mortgage and/or note, (e.g.) uses the property for rental purposes or the property is no longer the Mortgagor(s) principal residence, the entire amount of HOME financial assistance shall be due. In cases where the aforesaid property is foreclosed upon, the net proceeds, if any, from the foreclosure sale will be recaptured and deposited into the HOME Investment Trust Fund.
- (4) Where net proceeds of the sale are insufficient for the Mortgagor (Homebuyer) to repay the full amount of this lien and the Homebuyers capital investments, the amount of funds to be recaptured will be based on the following:
 - i) If the sum of these investments plus the amount due the Mortgagee equals or is less than the net proceeds of sale, then the homebuyer would be allowed to recover his or her investment in the property first, with full remainder being paid to the Mortgagee.
 - ii) If the sum of these investments plus the amount due the Mortgagee exceeds the net proceeds of funds remaining to be paid back to the Mortgagee after payment of the first mortgage, the remainder will be paid back to the Mortgagee. The amount would be considered payment in full.
 - iii) If the sum of the investments plus the amount due the Mortgagee exceeds the net proceeds of sale, then the Homebuyer would be allowed to recover his or her investment in the property first. If there are no funds remaining to be paid back to the Mortgagee after payment of the first mortgage, such an amount would be considered payment in full.
 - iv) In all other cases, where the property's net proceeds either exceed the County's initial HOME investment, or where the title to the property is during the affordability period, Genesee County will require immediate payment of the lien note as a condition for release of any lien placed on the property.
- (5) Mortgagee acknowledges that there is a lien prior to this Property Lien. Genesee County Metropolitan Planning Commission, Community Development Program, acting in accordance with policies established by the Genesee County Board of Commissioners, is prohibited from subordinating its lien on a property assisted with Genesee County HOME Program down payment assistance, when that subordination will result in a situation where the total debt attached to the property exceeds 80% of that property's appraised value. (Attachment "a")
- (6) Mortgagor (Homebuyer) acknowledges that if he/she/they wish(es) to refinance the aforesaid property within the required period of affordability, the Mortgagor (Homebuyer) may do so if the refinance is for the sole purpose of reducing the mortgage interest rate, and not for obtaining property home equity proceeds through the refinance transaction. In the event that the County is asked to take an action on the disposition of this lien for any reason other than the original agreement, documentation shall be delivered by the Mortgagor (Homebuyer) to Genesee County Metropolitan Planning Commission, Community Development Program, requesting approval of the action. (Attachment "b").
- (7) This lien is junior to the mortgage lien of _____.

The covenants herein shall bind, and the benefits and advantages inure to, the respective heirs, assigns, and successors of the parties.

SIGNED AND DELIVERED by the Mortgagor(s) to Mortgagee on the day and year first above written.

PROPERTY OWNER

GENESEE COUNTY

PRINTED NAME

PRINTED NAME

PROPERTY OWNER

PRINTED NAME

NOTARY FOR THE COUNTY OF GENESEE

State of Michigan)
 §
County of Genesee)

On this ____ day of _____ 2015, before me a Notary Public in and for said County, personally appeared _____ who being by me sworn, did acknowledge and say that he/she is authorized to sign this agreement.

PRINTED NAME OF NOTARY

Notary Public, State of Michigan, County of Genesee
My Commission Expires: _____
Date Notarial Act Performed: _____

NOTARY FOR THE PROPERTY OWNER

State of Michigan)
 §
County of Genesee)

On this _____ day of _____ 2015, before me a Notary Public in and for said County, personally appeared _____ who being by me sworn, did acknowledge and say that he/she is authorized to sign this agreement.

PRINTED NAME OF NOTARY

Notary Public, State of Michigan, County of Genesee
My Commission Expires: _____
Date Notarial Act Performed: _____

Approved as to form by:
Andrew Thompson, Assistant Corporation Counsel
Genesee County Office of Corporation Counsel

Prepared by and Return to:

**Genesee County Metropolitan Planning Commission
Community Development Program
County Administration Building, Room 223
1101 Beach Street
Flint, Michigan 48502-1470**

Attachment "a"

ACKNOWLEDGEMENT
SUBORDINATION POLICY
Genesee County
HOME Investment Partnerships Program (HOME)

The Genesee County Metropolitan Planning Commission, Community Development Program, acting in accordance with policies established by the Genesee County Board of Commissioners, is prohibited from subordinating its lien on a property assisted with Genesee County HOME Program - Homebuyer Assistance funding, when that subordination will result in a situation where the total debt attached to the property exceeds 80% of that property's appraised value.

I fully understand and abide by all the provisions of this policy and acknowledge that these stated requirements were fully explained to me by the mortgage processor at the appointed time of closing.

Homebuyer Signature: _____

Mortgage Processor Signature: _____

Date: _____

Attachment "b"

In the event that the County is asked to take an action on the disposition of a HOME Investment Partnerships Program (HOME) lien for any reason other than the original agreement, then the following shall be delivered to the Genesee County Community Development Office:

A written request from the Mortgagor (Homebuyer), including an explanation why the action requested is both necessary and reasonable.

Documentation supporting the request must include:

- *A current title search (with taxes)
- *A current formal property appraisal
- *A summary statement of all outstanding indebtedness against the property
- *A copy of the subject purchase agreement, loan application, or mortgage commitment.

NOTE: The total proposed indebtedness, including the mortgage/lien held by Genesee County, cannot exceed 80% of the appraised value. Cash out is not allowed. Genesee County will not subordinate in reverse mortgage transactions.

Upon receipt of the above, a recommendation and request for action will be presented to the Director-Coordinator of the Genesee County Metropolitan Planning Commission. Please allow two weeks for processing.

If approved, there will be a \$50.00 processing fee to be paid upon pick up of the subordination document.

Should you have any questions regarding this memorandum, please contact Ms. Sheila Taylor at (810) 257-3010.

**GENESEE COUNTY
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) DOWN PAYMENT ASSISTANCE
(DPA) PROGRAM**

DEFERRED PAYMENT LOAN PROMISSORY NOTE

Homeowner:

Address:

Amount:

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of Genesee County, through its HOME Investment Trust Fund (hereinafter called the County) or its successors the sum of _____ (\$_____)

It is agreed and understood by the undersigned and the County that repayment of this loan is deferred while the undersigned remains the owner (in fee simple or as purchaser under land contract) and resides at the above property. Transfer of the ownership interest or cessation of residency by moving from the property, shall constitute a default of the deferment agreement and cause the full amount as prescribed below, to become due and payable. Failure of the County to exercise this option shall not constitute a waiver of the default.

Loan Amount: \$

IN THE EVENT the undersigned defaults in any of the terms of this Note, the principal amount of the Note shall become due and payable. The County, at its option, may prepare an alternative promissory note requiring monthly payments of principal under such conditions as it deems best.

The undersigned shall have the right to reject the alternative Note by paying the principal amount of this Note within 30 days of the default. Failure of the undersigned to pay the principal amount of this Note or to execute an alternative Note within 30 days of the default shall constitute a breach of this Note and the County may proceed to suit to recover on this Note.

IN THE EVENT of defaults in any of the terms of this grant agreement, the undersigned may also be required to pay costs of collection expenses, if any, including attorney's fees and legal expenses.

THIS NOTE is secured by a Mortgage Lien duly filed for record with the Register of Deeds, Genesee County, Michigan.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned as of this _____ day _____, 2015

HOMEOWNER

HOMEOWNER

WITNESS

WITNESS

NOTARY FOR THE COUNTY OF GENESEE

STATE OF MICHIGAN)
 §
COUNTY OF GENESEE)

On this _____ day of _____, 2015, before me, a Notary Public in and for said County, personally appeared _____, known to me to be the person(s) described in and who executed the within Mortgage, and then acknowledged the execution thereof to be their own free act and deed.

Print Name:

Notary Public, State of Michigan, County of Genesee
My Commission Expires: _____
Date Notarial Act Performed: _____

NOTARY FOR HOMEOWNER

STATE OF MICHIGAN)
 §
COUNTY OF GENESEE)

On this ____ day of _____, 2015, before me, a Notary Public in and for said County, personally appeared _____, known to me to be the person(s) described in and who executed the within Mortgage, and then acknowledged the execution thereof to be their own free act and deed.

Print Name:

Notary Public, State of Michigan, County of Genesee
My Commission Expires: _____
Date Notarial Act Performed: _____

[TITLE COMPANY LETTERHEAD]

TITLE COMPANY LIEN GUARANTY FORM

In consideration of the provision of Genesee County HOME Program funds,

_____ promises to Genesee County that it
(title company)

will obtain a Promissory Note from the purchaser (homebuyer) to Genesee County in the amount of \$_____, and that it will obtain a Lien on the subject property, securing the amount of \$_____ in which Genesee County is the lienholder, and further, that it will direct the Lien to be recorded by the Genesee County Register of Deeds and returned when recorded to:

**Genesee County Metropolitan Planning Commission (GCMPC)
Community Development Program
County Administration Building, Room 223
1101 Beach Street
Flint, MI 48502-1470**

TITLE COMPANY: _____

By: _____

Date: _____

HUD Approved Housing Counseling Agencies in Genesee County, Michigan

Seniors seeking Home Equity Conversion Mortgage (HECM) counseling can contact the AARP Foundation Network of Expert HECM Counselors at: 1-800-209-8085.

GREENPATH, INC.

2222 S. Linden Rd. Ste. I

Flint, MI 48532

Phone: (866) 648-8114

Toll-Free: (888) 776-6735

Website: www.greenpath.com

Type of Counseling:

- Home Equity Conversion Mortgage Counseling
- Homebuyer Education Programs
- Loss Mitigation
- Marketing & Outreach Initiatives
- Money/Debt Management
- Mortgage Delinquency & Default Resolution Counseling
- Post-purchase Counseling
- Pre-purchase Counseling
- Renters Assistance
- Services for Homeless

Affiliate of GREENPATH, INC.

METRO COMMUNITY DEVELOPMENT

Mott Foundation Building

503 S. Saginaw

Flint, MI 48502

Phone: (810) 767-4622

Fax: (810) 767-4664

Website: www.metrohousing.org

Type of Counseling:

- Home Equity Conversion Mortgage Counseling
- Mortgage Delinquency & Default Resolution Counseling
- Pre-purchase Counseling
- Renters Assistance

Affiliate of: MICHIGAN HOUSING COUNSELORS

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

735 E. Michigan Ave.

Lansing, MI 48909

Phone: (517) 373-6208

Toll-Free: (800) 327-9158

Fax: (517) 241-4756

E-mail: tullohc@michigan.gov

Website: www.michigan.gov/mshda

Type of Counseling:

- Pre-purchase Counseling

EXHIBIT "D"

Exhibit "D" contains the following information:

Income Chart

Maximum Purchase Price Limits

FY 2015 MEDIAN FAMILY INCOME FOR FLINT AND GENESEE COUNTY -- \$53,800

MAXIMUM DPA INCOME LIMITS

Household Size	30% Extremely Low Income	50% Very Low Income	60% Low Income	80% Moderate Income
One Person	\$11,770	\$19,000	\$22,650	\$30,350
Two Person	\$15,930	\$21,700	\$25,850	\$34,700
Three Person	\$20,090	\$24,400	\$29,100	\$39,050
Four Person	\$24,250	\$27,100	\$32,300	\$43,350
Five Person	\$28,410	\$29,300	\$34,900	\$46,850
Six Person	\$31,450	\$31,450	\$37,500	\$50,300
Seven Person	\$33,650	\$33,650	\$40,100	\$53,800
Eight Person	\$35,800	\$35,800	\$42,650	\$57,250

k:\cd\hip\income2015dpa

revised 4/21/15

FHA MORTGAGE LIMITS

The following table is an example of current FHA Mortgage Limits for Genesee County, Michigan as of Current Year 2014 and is provided only as an example. Mortgage limits are constantly updated.

MSA Name	MSA Code	County Name	State	One-Family	Two-Family	Three-Family	Four-Family	Last Revised
FLINT, MI MSA	22420	GENESEE	049	\$271,050	\$347,000	\$419,425	\$521,250	CY 2014