

**CITY OF EL CAJON
DEPARTMENT OF REDEVELOPMENT AND HOUSING
200 CIVIC CENTER WAY
EL CAJON, CA 92020
(619) 441-1710**

**LENDER PARTICIPATION AGREEMENT
FIRST-TIME HOMEBUYER PROGRAM**

THIS AGREEMENT made and entered into as of the _____ day of _____, 200____, by and between the City of El Cajon (hereinafter referred to as "CITY") AND the El Cajon Redevelopment Agency (hereinafter referred to as "AGENCY") and _____ (hereinafter referred to as the "LENDER").

W I T N E S S E T H:

WHEREAS, on April 14, 1998, the El Cajon City Council established a First-Time Homebuyer Program and in July 2000 the El Cajon Redevelopment Agency authorized the use of Low and Moderate Housing Set-Aside (ECRA) funds for the First-Time Homebuyer Program pursuant to applicable federal, state and local policies and procedures; and

WHEREAS, the LENDER wishes to participate in the Program administered by the City of El Cajon/El Cajon Redevelopment Agency 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. The CITY/AGENCY hereby designates the LENDER as its agent for receipt and processing of applications for the First-Time Homebuyer Program.
2. The LENDER agrees to prepare its representatives to work on the First-Time Homebuyer Program by providing them with CITY/AGENCY training and/or CITY/AGENCY materials.
3. The LENDER will make information regarding the First-Time Homebuyer Program available to potential borrowers. The LENDER will process and review the application for any potential borrower in order to determine eligibility for the Program.
4. The LENDER will obtain from the borrower all documents and information required for the application for (and receipt of) a loan as directed by the CITY/AGENCY.
5. The LENDER will perform all investigation and verification that it would normally perform for underwriting a mortgage not provided in connection with the City/Agency. The LENDER will notify the borrower and the CITY/AGENCY in writing of any decision to cancel processing of the loan.
6. The LENDER will conduct such reasonable investigation as is necessary to certify that the applicant has satisfied all requirements of the City/Agency loan eligibility requirements.
7. The LENDER warrants that it is familiar with the City/Agency loan guidelines established by the CITY/AGENCY. The LENDER hereby agrees to comply with all provisions of applicable federal and state law, and said regulations and guidelines.
8. The LENDER will charge a potential borrower applying for the City/Agency loan only those fees allowed under the City/Agency Program, and those fees paid to third parties as would be reasonably charged to a potential borrower applying for mortgages not provided in connection with the First-Time Homebuyer Program.
9. The LENDER hereby agrees that any intentional or negligent misrepresentation of information contained in the application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.;

10. The LENDER hereby agrees that it will make a reasonable effort to forward to the CITY/AGENCY any information which it may receive during the life of the mortgage loan which tends to indicate that misrepresentation was made in applying for a City/Agency loan or that may affect the applicant's continued eligibility for the First-Time Homebuyer Program.
11. The LENDER hereby agrees to sign a statement of "Quality Commitment".
12. The LENDER agrees to pay the CITY/AGENCY an initial participation fee of \$250.00 and a yearly renewal fee of \$100 (effective May 15, 2003). The yearly renewal fee will be billed to LENDER Contact each year and may be amended from time to time. Failure to pay the annual renewal fee shall terminate LENDER participation in CITY/AGENCY programs. LENDER will be removed from the Participating Lender List and a new Lender Participation Agreement and fee will be due to CITY/AGENCY along with all applicable documentation.
13. This Agreement shall remain in full force and effect until terminated. The LENDER may terminate this Agreement, without cause, upon thirty (30) days written notice to the CITY/AGENCY. The CITY/AGENCY may immediately terminate this Agreement and prohibit the LENDER from participation in the City/Agency program upon the LENDER's failure to comply with the terms and conditions of this Agreement or amendments to this Agreement, upon written notice by the CITY/AGENCY. For any LENDER terminated from participation in the Program, it shall be at the discretion of the CITY/AGENCY to allow future participation in the Program and a new LENDER Participation Agreement and related documentation may be required.
14. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.

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

Lender Company: _____ Authorized Branch Officer or Executive: _____ Authorized Branch Officer or Executive Title: _____ Authorized Branch Officer or Executive Signature: _____ Company Status: <i>(check one or more, as appl)</i> <input type="checkbox"/> Broker <input type="checkbox"/> Mortgage Lender <input type="checkbox"/> Mortgage Banker <input type="checkbox"/> Corporation <input type="checkbox"/> Other: Lender List Contact: _____ Email: _____ Address: _____ Application Status (check one): <input type="checkbox"/> New Lender <input type="checkbox"/> Lender Name Change/Merger <input type="checkbox"/> Authorized Agent Change <input type="checkbox"/> Lender List Contact Change	Office Location: _____ Address: _____ City / Zip: _____ Phone: _____ Fax: _____ Cell/Other: _____ City / Zip _____
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CITY OF EL CAJON/ EL CAJON REDEVELOPMENT AGENCY:

By: _____
Director of Redevelopment and Housing or designee

NOTE: WHEN SUBMITTING THIS AGREEMENT TO THE CITY, PLEASE ATTACH:

1. A PHOTOCOPY OF YOUR LICENSE TO PRACTICE LENDING IN THE STATE OF CALIFORNIA;
2. A STATEMENT OF QUALITY COMMITMENT (refer to pg. 38 of the FTHB Manual); and
3. CHECK FOR \$250.00 (*New Applicants Only*) MADE PAYABLE TO: **CITY OF EL CAJON.**