

**CITY OF POMPANO BEACH
FIRST TIME HOMEBUYER PROGRAM
HOMEOWNERSHIP AGREEMENT
FUNDING SOURCE:**

This AGREEMENT is entered into by and between the following parties: the CITY OF POMPANO BEACH (City), a Florida municipal corporation, having its principal office at 100 West Atlantic Blvd, Pompano Beach, Florida 33160 and _____ (Purchaser), whose principal address is, _____, and who is attempting to purchase the real property located within the City of Pompano Beach, Florida, more particularly described as:

Property Address: _____

Legal Description:

“the Property”

WITNESSETH:

WHEREAS, the City has federal, state or local funds designed to address housing, economic development and infrastructure needs of the community that primarily benefit very low and low income persons; and

WHEREAS, the City has determined through its Consolidated Plan to provide assistance to eligible homeowners within the City for the purpose of purchasing property; and

WHEREAS, the City will comply with all of the provisions governing the HOME rule as stated in 24 CFR part 92.

WHEREAS, _____ funds _____ in _____ the _____ amount _____ of _____ **Dollars** (\$ _____) are being utilized in this real estate transaction as down payment assistance for the purpose of purchasing the Property, known as the First Time Homebuyer Program (“Program”). Purchaser and City have agreed to participate in accordance with Program specifications. Purchaser acknowledges and understands that the Property will be used solely in accordance with the City's policies and guidelines for the Program.

NOW, THEREFORE, in consideration of the mutual promises herein including conditional approval of Program assistance to Purchaser by the City in the amount of _____ Dollars (\$ _____), the parties agree as follows:

The foregoing recitals are true and correct, and

1. Application. Purchaser acknowledges and understands that the City, in providing this assistance, has materially relied upon the information, data and certifications provided by the Purchaser in submitting the application.
2. Eligible Housing: the Property cannot be used as a halfway house, a dormitory, or student housing of any kind per the Definitions in 92.2. In addition, the purchase through a contract for deed is not eligible.
3. Counseling: The applicant(s) agree(s) to take an 8 hour homebuyer counseling class administered by a HUD certified Housing Counselor and submit the certificate to the Office of Housing and Urban Improvement upon completion.
4. Subsidy Layering Review: The City will conduct a subsidy layering review and will not provide more HOME assistance than necessary alone or in combination with other funds to provide quality, affordable and financially viable housing.
5. Underwriting: The City will underwrite its loan to ensure that housing debt, overall household debt, the appropriateness of the amount of assistance, recurring household expenses, assets available to acquire the housing, monthly expenses of the household, and financial resources available to the household to sustain homeownership.
6. Property Inspection: The property to be acquired must be in good, sound condition and meet the City of Pompano Beach written program property standards prior to closing, which will be determined by an inspection performed by the City Housing Inspector. The inspection must be performed no earlier than 90 days from the commitment of assistance.
7. Purchase Price Limits: The property to be acquired cannot exceed the HOME program purchase price limits as established by HUD.
8. Refinancing: In the event that the applicant wishes to refinance its first mortgage loan, it must obtain written approval from the City. The refinancing will be subject to the City refinancing policy to which HOME loans are subordinated to ensure that the terms of the new loan are reasonable and that the buyer receives no cash out at closing.
9. Financing. Purchaser must obtain financing from a lender who will hold the first mortgage (“Lender”) for acquisition of the Property. Failure by Purchaser to obtain financing and close the purchase shall make this agreement null and void.
10. Purchase Terms. The Purchase and Sale Agreement and other documents related to the real transaction (Contract Documents), attached as Composite Exhibit "A", represent the rights and responsibilities of the parties under the Program, and that the parties agree to abide by and comply with their roles and responsibilities.
11. Recapture Provisions: The assistance provided under this program is subject to recapture. Failure of the applicant to comply with the terms and conditions of the Mortgage and promissory note will require full repayment of the assistance provided,

12. First Mortgages Provided by For Profit and Non-Profit Lenders: The City will comply with the provisions of §92.254(e) that govern situations in which HOME homeownership assistance is provided through a nonprofit or for-profit entity that also provides first mortgage financing to the homebuyer.
13. Predatory Loans: The City will review first mortgage loans terms to prevent predatory lending in accordance with its Anti-Predatory Lending Policy. Should the buyer's lender not meet the requirements, the City will not provide HOME assistance.
14. Affirmative Marketing: the City will comply with its affirmative housing policies and will not discriminate on the basis of race, color, national origin, age, religion, sex, disability or familial status.
15. Form of Assistance. The City shall provide the funding for the real estate transaction as described in the Note and Second Mortgage attached as Exhibit "B". Once the funding is provided, the City shall be automatically discharged from any and all obligations, liabilities and commitments to Purchaser(s) or any third person or entity.

(a) Terms of Repayment. The Purchaser acknowledges that the funds provided by the City derive from the First Time Homebuyer Program and that the funds shall be secured by a non-interest bearing Note and a Second Mortgage in the form of Exhibit "B", which shall have priority over all other encumbrances, except a Purchase Money First Mortgage. Payment of the Note and Second Mortgage shall be deferred so long as the Property is occupied as the principal residence of Purchaser as provided in the Note and Second Mortgage given to secure the loan. The Purchaser agrees to continually occupy the property as its primary residence for a twenty (20) year affordability period, commencing at the execution of this Agreement.

If any interest in the property is sold, conveyed or transferred, or the Note and Mortgage created by this Agreement is subordinated without the City's written consent, whether voluntarily or involuntarily, including bankruptcy or foreclosure, within twenty (20) years of this Agreement's execution, such an event shall be considered a default in accordance with the Note and Second Mortgage, thereby entitling City to be repaid all or a portion of the outstanding principal amount remaining on the Note as set forth in the table below:

YEAR OF DEFAULT	PRINCIPAL AMT. DUE
1 - 15	100%
16	80%
17	60%
18	40%
19	20%
20	0%

The affordability period restrictions shall be a restriction running with the land, and the same shall bind all successors, assigns and persons claiming ownership of all or any portion of the subject property for a period of twenty (20) years from the date this Agreement is recorded.

16. Closing. The closing for the purchase assistance shall be conducted simultaneously with the closing on private financing being secured by Purchaser for the purpose of acquiring the home. All costs and expenses of the closing that exceed the assistance provided by the City, including State Documentary Stamp Tax on Deeds and recording fees, shall be borne by Purchaser. The terms of this Agreement are contingent upon Purchaser closing purchase of the Property within one year from the date of this Agreement or such additional time as the City may allow. The effective date of this Agreement is the date the last party hereto executes this Agreement. The closing is subject to a review by the City that the ownership interest is in good, marketable title subject only to restrictions which are approved by the City.
17. Occupancy Provision. The Purchaser agrees to occupy the Property as a principal residence, and agrees to insure and maintain such residence and grounds in good condition and in compliance with all applicable governmental regulations and in accordance with the terms of the Note and Second Mortgage. The covenants of this paragraph shall survive the closing and shall not merge in the delivery of the deed.
18. Inspection. Purchaser shall permit reasonable inspections of the Property and housing unit at reasonable times by inspectors of the City or its agents, for the purpose of determining compliance with this Agreement, and to comply with such additional terms, conditions, and requirements as City may reasonably impose. The covenants of this paragraph shall survive the closing and shall not merge in the delivery of the deed.
19. Default. Purchaser acknowledges and understands that the provisions as specified below constitute events of default under this Agreement, and the covenants of this paragraph shall survive the closing and not merge in the delivery of the deed:
 - (a) Nonperformance by Purchaser of any other covenant, agreement, term or condition of this Agreement or of any other agreement heretofore, herewith or hereafter made by Purchaser with the City in connection with the Program, after the Purchaser has been given due notice by the City of such nonperformance.
 - (b) Failure of the Purchaser to perform any covenant, agreement, term or condition in any instrument creating a lien upon the Property or improvements thereon, or any part thereof.
 - (c) The City's discovery of the Purchaser's failure in the application to the City from the Purchaser to disclose any fact deemed by the City to be a material fact on the basis of which the City entered into this Agreement, or in any of the agreements entered into by the City with Purchaser, including, but not limited to, any other agreements arising in connection with this Agreement and entered into by Purchaser, or the City's discovery of any misrepresentation by, or on behalf of, or for the benefit of Purchaser.
 - (d) Any default as determined by the Lender.

20. Notice. Notice shall be mailed to:

City of Pompano Beach: Office of Housing & Urban Improvement
Director
P.O. Box 1300
Pompano Beach, Florida 33061

Purchaser(s):

21. Integration. This Agreement represents the entire Agreement between the City and Purchaser. No prior or contemporaneous oral promises or representation shall be binding upon either party.

22. Severability. If any provision of this Agreement shall at any time be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

- LEFT BLANK INTENTIONALLY -

“CITY”:

Witnesses:

CITY OF POMPANO BEACH

By: _____
LAMAR FISHER, MAYOR

By: _____
GREGORY P. HARRISON,
CITY MANAGER

Attest:

ASCELETA HAMMOND, CITY CLERK

(SEAL)

Approved As To Form:

MARK E. BERMAN, CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by **LAMAR FISHER** as Mayor, **GREGORY P. HARRISON**, as City Manager and **ASCELETA HAMMOND** as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

WITNESSES:

PROPERTY OWNER:

Signature

By _____

[Witness-Print or Type Name]

Date: _____

Signature

By _____

[Witness-Print or Type Name]

Date: _____

STATE OF: FLORIDA
COUNTY OF: BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by _____, who has produced Photo ID / Florida Drivers License (I.D. number on file in Housing & Urban Improvement Office) as identification.

(SEAL)

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

My Commission Expires: _____