

HOME PROGRAM AGREEMENT
FIRST TIME HOMEBUYER PROJECTS
CITY OF LOWELL, MASSACHUSETTS

AGREEMENT entered into this ____ Day of _____ 20____, between the City of Lowell, Massachusetts (hereinafter referred to as the “City”) and «**First Name**» «**Middle Name**» «**Last Name**» first time homebuyers, of «**Address 1**», «**City**», «**State**» (hereinafter referred to as the “Borrower”).

WHEREAS, the CITY is receiving funds from the United States Department of Housing and Urban Development (HUD) pursuant to HUD’s HOME Investment Partnership Program (HOME Program), and

WHEREAS, the CITY is authorized to award funds under the HOME Program pursuant to the Cranston-Gonzalez National Affordable Housing Act and the regulations adopted by HUD under the HOME Program as contained in 24 CFR 92 et. Seq. (the HOME Regulations), and

WHEREAS, the BUYERS are first time homebuyers of the property at «**Address 1**»«**City**», «**State**», pursuant to a deed recorded with the Middlesex North District Registry of Deeds, and

WHEREAS, the BUYER has requested HOME funds to be used for said property, and

WHEREAS, the intent of this agreement is to enable the BUYER to acquire and occupy said property as a HOME eligible first time homebuyer;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and additionally contained in the terms specified in accompanying documents (listed below), the CITY shall provide “**Amount Text**” **Dollars, (\$ Amount Number)**, subject to BUYER’S execution of the following documents:

- Deferred Payment Loan /Promissory Note
- Mortgage and Security Agreement

HOME PROGRAM PROJECT REQUIREMENTS

1. PER UNIT AMOUNT OF HOME SUBSIDY: The per unit HOME subsidy will not exceed the per unit limits specified by HUD based upon the number of bedrooms per unit.
2. PROPERTY STANDARDS: The property shall be maintained in compliance with the minimum housing quality standards as required under the HOME regulations and, in particular, the State provision of the sanitary code and the State Building Code. All other regulations and laws pertaining but not limited to zoning, licensing, historic preservation, lead paint and asbestos will also apply. The City of Lowell reserves the right to re-inspect any failed items noted on the Housing Quality Standards Report at the end of the 24-month rehabilitation period. Failure to repair these items will result in the immediate repayment of the original amount funded.
3. PRINCIPAL PLACE OF RESIDENCE: The City, pursuant to Federal Regulations, requires that the Borrower agree to remain in the property as the principal place of residence for a period of no less than Five (5) years. If the property is sold or the Borrower does not reside in the premises for five years after the date of this agreement, the principal balance shall immediately become due and payable.
4. TENANT AND PARTICIPANT PROTECTIONS: The Buyer, with respect to rental units, shall comply with the provisions of 92.253 of the HOME regulations.

5. MIXED INCOME PROJECT: HOME funds may be expended only with respect to units occupied by very low income and/or low income families. Combined income from all owner occupant first time home buyer family members who will reside at the subject property cannot exceed the Home Program income limits of eighty percent (80%) of the area median income by family size. Combined income of renters cannot exceed the HOME Program income limits of sixty percent (60%) of the area median by family size.

HOME Program Income Limits by Family Size

80% Area	1	2	3	4	5	6	7	8
Median	\$41,700	\$47,700	\$53,650	\$59,600	\$64,350	\$69,150	\$73,900	\$78,650
60% Area								
Median	\$33,780	\$38,580	\$43,440	\$48,240	\$52,080	\$55,980	\$59,820	\$63,660
50% Area								
Median	\$28,550	\$32,650	\$36,700	\$40,800	\$44,050	\$47,350	\$50,600	\$53,850

6. AFFIRMATIVE MARKETING: The Buyer, when requested, shall submit to the City the Buyer's Affirmative marketing plan (if applicable) in accordance with 24 CFR Section 92.351 of the HOME regulations. Such affirmative marketing plan shall at least meet the minimum requirement of that section.
7. CITY'S RIGHTS AND REMEDIES: In amplification, and not in restriction of the provisions hereof, it is intended and agreed that the City of Lowell shall be deemed an intended beneficiary of the agreements and covenants of the Borrower, its successors and assigns provided in the foregoing paragraphs, both in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants shall run in favor of the City for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the City has at any time been remains or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The City shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in the equity or other proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.
8. REPORTING REQUIREMENTS: The Buyer shall supply to the City on behalf of the Buyer such reports and information as the City shall reasonably request to allow the City to comply with its reporting requirements to HUD on an annual basis commencing twelve (12) months after execution of this agreement. Such reports will include but not be limited to the following: 1) Verification of tenant income and 2) Verification of rents (if applicable).
9. BREACH OF CONTRACT: In the event the Borrower breaches the conditions of this agreement, the City shall pursue all legal remedies reasonably calculated to ensure that it recovers the funds. All HOME Program funds received by the Borrower under this section and any applicable penalties and fees will become due and payable, should the Borrower fail to fully comply with the terms of this agreement. Should it be discovered that the Borrower provided false information or withheld information in order to become eligible for HOME down payment assistance, the entire balance of the principal will become immediately due and returned to the City. The Borrower will pay any legal fees in the event legal remedies incurred by the mortgagee (The City) that may be required to recapture these mortgage funds.
10. FORECLOSURE OF PRIOR MORTGAGE: In the event of a foreclosure of a prior mortgage, the MORTGAGOR agrees that the net proceeds of a foreclosure sale (after payment of the prior

mortgage) shall be paid to the MORTGAGEE in payment of the amount loaned under this HOME Agreement.

11. INDEMNIFICATION: The Borrower shall indemnify and save harmless the City against all loss, damages, liability and costs, including legal expenses for anything and everything whatever arising from, or out of, the negligence of the Borrower, or failure by the Borrower to comply with any of the covenants, terms and conditions of this Agreement.
12. REVIEW OF DOCUMENTS: The City retains the right to review and approve all documents used by the Buyer to transfer the property.

EXECUTED AS A SEALED INSTRUMENT THIS _____ DAY OF _____ 20____

BORROWER: _____ CO-BORROWER: _____
«First Name» «Middle Name» «Last Name» «First Name» «Middle Name» «Last Name»

APPROVED AS TO LEGAL FORM:

BY: _____
Patricia Sullivan Talty, Assistant City Solicitor

CITY OF LOWELL APPROVAL

BY: _____
Adam Baacke, Assistant City Manager/DPD Director

BY: _____
Bernard F. Lynch, City Manager