



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: John A. Schneider, MPA, Manager, Community Development Services Dept.

FROM: Kelly Mierkowski, Manager, Grants Management Division

DATE: July 21, 2017

SUBJECT: **A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Down Payment Assistance FY 2017-2018)**

Description

Included on the agenda of the regular meeting of the Urbana Community Development Commission is a resolution approving and authorizing the execution of an Urbana HOME Consortium subrecipient agreement as part of the HOME Investment Partnerships Program.

The proposal will allocate \$150,000 from the City of Urbana and City of Champaign share of HOME funds to assist Navicore Solutions (“Navicore”) to fund down payment assistance program for qualified low-income buyers. A maximum of \$27,671.50 in additional project delivery funds will be available to Navicore if appropriate documentation shows that eligible project related soft costs were expended in direct relation to administering the down payment assistance program.

Background

On January 27, 2017, the City of Urbana issued a Request for Proposals, with a deadline for proposal submission of February 27, 2017. A total of three responses were received, and the Urbana HOME Consortium Technical Committee examined the projects conditionally awarded \$150,000 to each applicant, pending approval by the Urbana City Council. The funding proposed for this agreement with Navicore stems from the both the City of Champaign and City of Urbana allocations of FY 14-15 and FY 15-16 HOME funding.

To reallocate funding to the awarded projects, the City of Urbana was required to complete an Annual Action Plan amendment, which was the subject of a public hearing on March 28, 2017, and was approved by the Urbana City Council on May 1, 2017. This FY 15-16 Annual Action Plan amendment was subsequently reviewed and acknowledged by HUD on July 10, 2017. The Urbana HOME Consortium is now prepared to enter into subrecipient agreements that will commit the HOME funding to specific projects.

Navicore is a 501(c)3 nonprofit financial counseling organization based in Peoria, IL, and is a subsidiary of Garden State Consumer Credit Counseling, Inc. Among the services it currently provides are housing counseling, personal finance counseling, a debt management program, and pre/post-bankruptcy counseling and education. Previously, Navicore partnered with Habitat for Humanity of Champaign County by providing HUD-certified counseling services as part of Habitat's implementation of the Illinois Attorney General's Neighborhood Revitalization Grant.

Navicore will act as a subrecipient of HOME funds, meaning that the agency will undertake all responsibilities expected by HUD of the Urbana HOME Consortium, such as income qualification, underwriting, subsidy layering, and pre-purchase counseling in accordance with HUD regulations. Navicore submitted its application for HOME funds in consultation with the Community Reinvestment Group, which is an organization of local financial institutions that identifies strategies to strategically undertake local community development activities.

Proposed Project and Schedule

An estimated fifteen (15) to twenty (20) households are expected to benefit from down payment assistance through the proposed program, based on anticipated per household funding amounts. Determining the actual number of beneficiaries is difficult because the amount of assistance will vary based on the needs of each particular client. Ultimately, this project will extend an opportunity to obtain homeownership to households that would otherwise not be able to access it for financial reasons. The proposed subrecipient agreement requires that all funds must be expended by July 31, 2020. Since funding for this project stems from the Urbana HOME Consortium, purchases would be eligible in the City of Urbana, City of Champaign, and in unincorporated areas of Champaign County.

Project Funding

Navicore will provide the required 25% match through the use of other forms of down payment assistance. One source in particular includes the Federal Home Loan Bank of Chicago's Down Payment Plus grant, which provides a flat \$6,000 in down payment assistance to eligible buyers. Additional project delivery funds will be available to Navicore if evidence of the expenditure of eligible soft costs that are directly related to the project is provided to the City of Urbana.

Options

1. Forward the Resolution to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution to the Urbana City Council with a recommendation for approval with suggested changes.
3. Do not recommend approval of the Resolution.

Fiscal Impacts

There will be no change to the City General Fund as a direct result of executing the proposed contracts. The funding proposed for these projects is already incorporated into the FY 2014-2015 and FY 2015-2016 Annual Action Plans. The proposed contracts will assist in committing the Urbana HOME Consortium's funding in a timely manner.

Meeting the HOME commitment deadline is a priority due to the August 31, 2017 deadline imposed by HUD. The RFP process was undertaken in February of 2017 in anticipation of this deadline, and Navicore was conditionally awarded \$150,000, plus project delivery funds, through the process, subject to City Council approval.

Programmatic Impacts

The proposed down payment assistance project is in keeping with the goals and strategies outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019. The proposed contract will utilize the funding originally allocated to the Whole House Rehabilitation Projects within the City of Urbana and Full Home Improvement Projects that would have been completed in the City of Champaign as part of the FY 2014-2015 and FY 2015-2016 Annual Action Plans. Committing these carryover funds will assist to secure future HOME funding in maintaining the Urbana HOME Consortium's commitment obligations and improving overall program performance.

Recommendations

Staff recommends that the Community Development Commission forward the Resolution to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:



**Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division**

Attachments:

1. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Navicore FY 2017-2018)
2. *An Urbana HOME Consortium Subrecipient Agreement (Navicore FY 2017-2018)*

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN
URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT**

(Down Payment Assistance FY 2017-2018)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached subrecipient agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan*.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Urbana City Council hereby approves the attached subrecipient agreement in substantially the same form as attached hereto.

Section 2. That an Agreement providing \$150,000 in HOME Program funds, for the funding of a tenant-based rental assistance program, between the City of Urbana and Garden State Consumer Credit Counseling, Inc. dba Navicore Solutions, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

URBANA HOME CONSORTIUM
SUBRECIPIENT AGREEMENT

(Down Payment Assistance FY 2017-2018)

THIS Subrecipient Agreement for a Down Payment Assistance Program, hereafter referred to as the “**AGREEMENT**”, is made and entered into this ____ day of _____, _____ by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and Garden State Consumer Credit Counseling, Inc. dba Navicore Solutions, an Illinois Not-For-Profit Organization (hereinafter the “**SUBRECIPIENT**”).

WITNESSETH

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (hereinafter “HUD”) for purposes of receiving HOME Investment Partnership (hereinafter “HOME”) Program funds in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 *et seq.*) (hereinafter the “National Affordable Housing Act”); and

WHEREAS, the Urbana HOME Consortium has received HOME Program funds from HUD to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2015-2019 (hereinafter the “Consolidated Plan”) in accordance with an Intergovernmental Agreement Concerning Administration of a HOME Investment Partnership known as the Urbana HOME Consortium, executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the “Intergovernmental Agreement”); and

WHEREAS, SUBRECIPIENT has requested Urbana HOME Consortium funding to provide Down Payment Assistance to low-income home buyers (hereinafter the “**DPA PROGRAM**”); and

WHEREAS, the Consolidated Plan specifies local market conditions indicating a need for Down Payment Assistance, certifies that Down Payment Assistance is an essential component of the Consolidated Plan, and recommends that the Urbana HOME Consortium expand housing opportunities for low-income households at or below 80 percent of the median family income; and

WHEREAS, GRANTOR desires to serve as a manager of the DPA PROGRAM within the Cities of Champaign and Urbana and the unincorporated area of Champaign County; and

WHEREAS, the GRANTOR has determined that the DPA PROGRAM is eligible for funding under the HOME Program; and

WHEREAS, the GRANTOR has determined that SUBRECIPIENT has the ability to provide the required private matching funding to cover the cost of the DPA PROGRAM; and

WHEREAS, the SUBRECIPIENT has been fully informed regarding all requirements or obligations that must be met by the SUBRECIPIENT in order to utilize HOME Program funds for the DPA PROGRAM, including but not limited to, the requirement that all participating households must meet the income eligibility requirements at or below 80 percent of the median family income, in accordance with 24 CFR Part 92, Section 205; and

WHEREAS, the SUBRECIPIENT, having been fully informed regarding the requirements of the HOME Program, is committed to starting the DPA PROGRAM with the assistance of HOME Program funds on or before _____, _____ and has made necessary arrangements to provide any required matching private contribution towards the cost of said DPA PROGRAM.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I: HOME REQUIREMENTS

Section 1: Use of HOME Funds

The GRANTOR agrees to provide the SUBRECIPIENT an amount not to exceed **\$150,000** from its Federal Fiscal Year 2014-2015 and 2015-2014 HOME Program funding to be used for providing Down Payment Assistance to households at or below 80 percent of the Area Median Family Income as defined by the Department of Housing and Urban Development (HUD) on an annual basis using the Section 8 (Part V) method as part of the DPA PROGRAM. In addition, the SUBRECIPIENT may request an amount not to exceed **\$27,671.50** for eligible project delivery costs as described in 24 CFR 92.207. The SUBRECIPIENT shall use the Funds in accordance with the HOME program guidelines outlined in 24 CFR Part 92 in carrying out the DPA PROGRAM in the manner described below:

- (a) The SUBRECIPIENT shall ensure that the projected annual income of clients served through the DPA PROGRAM is no greater than 80 percent of the Area Median Family Income as defined by the Department of Housing and Urban Development on an annual basis. SUBRECIPIENT may use the CPD Income Eligibility Calculator to calculate incomes using the Section 8 (Part V) method, which is available online at: <https://www.hudexchange.info/incomecalculator/>
- (b) The SUBRECIPIENT shall provide homebuyer counseling to prospective homebuyers, which must be completed prior to referral of the clients to financial institutions.
- (c) The SUBRECIPIENT shall refer clients who meet the income criteria listed in paragraph (a) and have completed the homebuyer counseling in paragraph (b) to financial institutions that have demonstrated an interest in participating in the DPA PROGRAM.
- (d) The SUBRECIPIENT shall ensure that the property which a client wishes to purchase with downpayment assistance through the DPA PROGRAM is either a single family property, a single unit in a two-to-four unit property, a condominium unit, or an eligible manufactured home that is located on land that is owned by the manufactured housing unit owner, or on land for which the manufactured housing unit owner has a lease for a period at least equal to the applicable period of affordability, and the manufactured housing has a permanent foundation that complies with 24 CFR 203.43(f)(c)(i) and is connected to permanent utility hook-ups.

- (e) The SUBRECIPIENT shall work with the GRANTOR to ensure that each unit is inspected to verify that it meets the standards described according to the guidelines in 24 CFR 92.251.
- (f) The SUBRECIPIENT shall notify the GRANTOR at least 20 days in advance of a closing in which a client is expected to receive funding from the DPA PROGRAM. The GRANTOR will produce a check for the client in question and deliver it to the closing.
- (g) The SUBRECIPIENT shall incorporate the sample documents for the DPA PROGRAM attached hereto as "Attachment 2" and by reference made a part hereof.

Section 2: Affordability

The SUBRECIPIENT shall comply with all income determinations and subsidy limit requirements of the HOME Program as set forth in HUD Regulations 24 CFR Part 92, as applicable. The SUBRECIPIENT shall verify each family's income eligibility by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The SUBRECIPIENT is required to re-examine and document the family's income annually if assistance extends beyond one year. The maximum subsidy limits are published by the Department of Housing and Urban Development annually and the DPA PROGRAM shall adhere to these limits.

For purposes of this AGREEMENT, project completion means that the final drawdown has been disbursed for the project and The SUBRECIPIENT has submitted all necessary demographic and financial information to the GRANTOR.

Section 3: HOME Project Requirements

Project Requirements:

The GRANTOR shall provide HOME funds not to exceed **\$150,000** for eligible costs as described in 24 CFR 92.206(c). in addition to **\$27,671.50** for eligible project delivery costs as described in 24 CFR 92.207.

The GRANTOR and SUBRECIPIENT agree that HOME funds provided will be used for only those eligible costs listed in 24 CFR 92.206, including: home purchase assistance and related allowable expenses. Project-related soft costs as defined at 24 CFR 92.207 are also eligible, and as such will be reimbursed by the GRANTOR upon demonstration of acceptable documentation.

SUBRECIPIENT agrees to adhere to the client pre-qualification standards outlined in the "Urbana HOME Consortium Homebuyer Program Policies and Procedures" in "Attachment 1". All clients served must meet the income guidelines at or below 80 percent of the Median Family Income, as published by the Department of Housing and Urban Development each year. Preferences for clients with specific special needs cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

List of Documents

The following documents have been added to or made a part hereof by reference:

- Attachment 1 – Urbana HOME Consortium Homebuyer Program Policies and Procedures**
- Attachment 2 - Home Buyer Mortgage Analysis Spreadsheet, Homebuyer Agreement, Mortgage, Promissory Note**
- Attachment 3 – Budget**
- Attachment 4 - Statement of Special Conditions and Compliance with Uniform Administrative Requirements**
- Attachment 5 - Standard Form-LLL, Disclosure Form to Report Lobbying**

Section 4: Housing Unit Standards

SUBRECIPIENT agrees that all housing subsidized with HOME Funds shall meet the standards described according to the guidelines in 24 CFR 92.251. The GRANTOR must inspect the property prior to occupancy and at project completion to ensure compliance with applicable standards and codes. The property must be free from any defects that pose a danger to the health and safety of occupants before occupancy, and must meet local codes and ordinances at project completion.

Section 5: Other DPA PROGRAM Requirements

A. Non-discrimination and Equal Opportunity

SUBRECIPIENT agrees that there shall be no discrimination against any person who is employed in carrying out the DPA PROGRAM, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Federal, State, County or local laws, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUPRECIPIENT further agrees to the following:

1. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the GRANTOR and HUD.
2. It shall furnish the GRANTOR and HUD with information as they may require for the supervision of such compliance and will otherwise assist the GRANTOR and HUD in the discharge of primary responsibility for securing compliance.
3. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the GRANTOR, or HUD.
4. It shall abide by the Human Rights Ordinance as set forth in Chapter 12 of the Urbana Code of Ordinances.

B. Conflict of Interest

SUBRECIPIENT guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. SUBRECIPIENT agrees that no members of the governing body of the locality in which SUBRECIPIENT is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the AGREEMENT during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be

performed in connection with the services performed under this AGREEMENT. Unless expressly permitted by U.S. Department and Housing and Urban Development (“HUD”), SUBRECIPIENT agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of SUBRECIPIENT and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the GRANTOR, no officer, employee, agent or consultant of SUBRECIPIENT, may occupy a HOME-assisted affordable housing unit in a project.

C. Air and Water

SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

Section 6: Records and Reports

A. Records

SUBRECIPIENT authorizes the GRANTOR and HUD to conduct on-site reviews, examine buyer income records, and to conduct any other procedure or practice necessary to assure compliance with this AGREEMENT and applicable HUD regulations. SUBRECIPIENT will ensure that all documents related to this Project shall be kept for a period of five (5) years after project completion. Records to be retained include, but are not limited to: initial income verification and source documentation, down payment and other assistance calculation worksheets, commitment letters, and documentation used to request reimbursement of expenses. SUBRECIPIENT shall maintain such records and accounts, including program records, project records; financial records; equal opportunity records; records demonstrating compliance with the income determination and requirements of 24 CFR 92.203; record keeping requirements of 24 CFR 92.508; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356; and any other records as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Funds. In the event the GRANTOR determines that such records are not being adequately maintained by SUBRECIPIENT, the GRANTOR may cancel this AGREEMENT in accordance with Article I Section 7 and Article II herein.

With respect to all matters covered by this AGREEMENT, records will be made available for examination, audit, inspection or copying purposes at any time during

normal business hours and as often as the GRANTOR, HUD, representatives of the Comptroller General of the United States or other Federal agency may require. SUBRECIPIENT will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all invoices, materials, records of personnel and of employment and other data relating to all matters covered by this AGREEMENT. The GRANTOR's right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or Federal. SUBRECIPIENT shall retain all records and supporting documentation applicable to this AGREEMENT as provided below:

- (a) For Down Payment Assistance projects, records shall be retained for five (5) years after the project completion date.
- (b) Written agreements must be retained for five (5) years after date of project completion.
- (c) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

B. Reports

SUBRECIPIENT agrees to submit to the GRANTOR the reports as described in this section. SUBRECIPIENT will ensure that all documents related to these reports shall be kept for a period of five (5) years after project's affordability period has been completed. Records to be retained include, but are not limited to: quarterly reports as described in this section; receipts and invoices for materials, supplies, and services; documentation used to request re-imbursment of expenses, and documentation of household income eligibility.

Quarterly Reports: SUBRECIPIENT must submit quarterly reports no more than one month after the end of each quarter. The following table lists the end of the quarter and the corresponding quarterly report due date:

Quarter	Period	Quarterly Report Due Date
1 st	July 1 – September 30	October 31
2 nd	October 1 – December 31	January 31
3 rd	January 1 – March 31	April 30
4 th	April 1 – June 30	July 31

Section 7: Enforcing of Agreement

A default shall consist of any use of HOME Program funds for a purpose other than as authorized by this AGREEMENT, noncompliance with the HOME Program guidelines as outlined in 24 CFR Part 92, any material breach of the AGREEMENT, failure to timely comply with the audit requirements in Article XIII, failure to expend HOME Program funds in a timely manner, or a misrepresentation in the application submission which, if known by GRANTOR and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to SUBRECIPIENT of the occurrence of any such default and the provision of a

reasonable opportunity to respond, the GRANTOR may take one or more of the following actions:

- (a) Direct SUBRECIPIENT to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
- (b) Direct SUBRECIPIENT to establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the SUBRECIPIENT to reimburse the GRANTOR's HOME Program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the AGREEMENT and any other available remedies.

For purposes of this AGREEMENT, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by SUBRECIPIENT of the GRANTOR's written notice of default. No delay or omission by GRANTOR and/or HUD in exercising any right or remedy available to it under the AGREEMENT shall impair any such right or remedy or constitute a waiver or acquiescence in any SUBRECIPIENT default.

Unless the SUBRECIPIENT'S default is waived, the GRANTOR may, upon twenty-four (24) hour written notice, terminate this AGREEMENT for said default. Waiver by the GRANTOR of SUBRECIPIENT's default under this AGREEMENT shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the SUBRECIPIENT and the GRANTOR if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8: Request for Disbursement of Funds

SUBRECIPIENT shall not request disbursement of HOME Program funds until HOME Program funds are needed to pay eligible costs related to the DPA PROGRAM. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation such as an invoice or performance-progress reports. The GRANTOR shall make payment to SUBRECIPIENT within fourteen (14) calendar days of receipt of a complete and acceptable request by the GRANTOR. The GRANTOR reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to “_____”. All monies granted to SUBRECIPIENT pursuant to this AGREEMENT shall be expended by **July 31, 2020**. In the event that all funds are not disbursed, the remaining balance shall be retained by the City of Urbana to be reprogrammed for other eligible HOME Program activities.

Section 9: Duration of Agreement

This AGREEMENT shall be effective as of the date executed by the Mayor and attested by the City Clerk and shall remain in effect until five years after project completion when all files may be destroyed in accordance with State and Federal law.

ARTICLE II: FINANCIAL RESPONSIBILITY

The allocation of funds by the GRANTOR pursuant to this AGREEMENT shall in no way obligate the GRANTOR for any financial responsibility incurred by the DPA PROGRAM in excess of the funding pledged herein. The GRANTOR reserves the right to withhold pledged funds if the GRANTOR is not satisfied with the SUBRECIPIENT's compliance with the terms and conditions of performance outlined in this AGREEMENT.

ARTICLE III: CERTIFICATIONS

SUBRECIPIENT represents the following with respect to this AGREEMENT.

- A. SUBRECIPIENT possesses legal authority to receive HOME Program funds from the GRANTOR and to undertake and execute the DPA PROGRAM as described herein.
- B. The governing body of SUBRECIPIENT has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this AGREEMENT including all understandings and assurances contained herein, and directing and designating the authorized representative of SUBRECIPIENT to act in connection with this AGREEMENT and to provide such additional information as may be required.
- C. SUBRECIPIENT, its successors and assigns, agrees to develop and operate the DPA PROGRAM in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- D. SUBRECIPIENT agrees to give maximum feasible priority to very low-income persons when administering the DPA PROGRAM described herein.
- F. SUBRECIPIENT acknowledges it shall match HOME Program funds disbursed by the GRANTOR and pursuant to this AGREEMENT in the amount of **\$37,500** in non-federal funds as defined in 24 CFR Part 92.220. Additional matching funds will be required if project delivery funds are requested. All documentation of said match funds must be filed and submitted to GRANTOR upon request.
- G. SUBRECIPIENT shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of Federal funds for the DPA PROGRAM. SUBRECIPIENT agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. SUBRECIPIENT shall separately and accurately identify use of

HOME funds pursuant to this AGREEMENT. SUBRECIPIENT will also comply with federal regulations stated at 2 CFR 200, as specified in greater detail in "Attachment 4."

- H. SUBRECIPIENT shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which SUBRECIPIENT receives federal financial assistance.
- I. SUBRECIPIENT shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- J. No Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, SUBRECIPIENT will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," as provided in "Attachment 5" and in accordance with the corresponding instructions.

- K. SUBRECIPIENT shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the PROGRAM.
- L. SUBRECIPIENT shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this AGREEMENT. SUBRECIPIENT shall be liable to perform all acts to the GRANTOR in the same manner as the GRANTOR performs these functions to the Federal government.
- M. SUBRECIPIENT shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a law suit or claim for compensation arising in favor of any person, including the employees, officers, or agents of SUBRECIPIENT, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this DPA PROGRAM, whether such loss, damage, injury, or liability is contributed to by the negligence of the

GRANTOR or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that SUBRECIPIENT shall have no liability for damages or the costs incident thereto caused by the sole negligence of the GRANTOR, or its officers, employees, or agents.

N. SUBRECIPIENT shall have full control of the ways and means of performing the services referred to herein. SUBRECIPIENT acknowledges and agrees that its employees, representatives, and agents may in no respect be considered employees of the GRANTOR.

ARTICLE IV: NOTICES

Notices and communications under this AGREEMENT shall be sent first class, prepaid to the respective parties as follows.

TO THE GRANTOR: Manager
 Grants Management Division
 400 South Vine Street
 Urbana, Illinois 61801

TO SUBRECIPIENT: _____

ARTICLE V: CONTINGENCIES

This AGREEMENT, including the provision of funds by the GRANTOR for the DPA PROGRAM as described herein, is contingent upon the signing of GRANTOR and SUBRECIPIENT.

ARTICLE VI: ASSIGNMENT

SUBRECIPIENT shall not assign this AGREEMENT, nor any part thereof, without prior written approval of the GRANTOR.

ARTICLE VII: MODIFICATION

No modification of this AGREEMENT shall be effective unless in writing and executed by the parties hereto.

ARTICLE VIII: EXECUTION OF AGREEMENT

This AGREEMENT shall be binding upon the GRANTOR and SUBRECIPIENT, their successors and assigns, and shall be effective as of the date executed by the Mayor of Urbana and attested by the City Clerk.

ARTICLE IX: PROJECT PUBLICITY

Any news release or other type of publicity pertaining to the work performed pursuant to this AGREEMENT must recognize GRANTOR as a Subrecipient, funded by HUD.

ARTICLE X: MONITORING AND EVALUATING

The GRANTOR shall be responsible for monitoring and/or evaluating all aspects of the services provided by SUBRECIPIENT under this AGREEMENT. The GRANTOR shall have access to and be able to make copies and transcriptions of such records as may be necessary in the determination of the GRANTOR or HUD to accomplish this monitoring and/or evaluation. In order to properly monitor or evaluate the SUBRECIPIENT's performance under this AGREEMENT, the GRANTOR shall make on-site inspections annually or as often as it deems necessary. Failure by the SUBRECIPIENT to assist the GRANTOR in this effort, including allowing the GRANTOR to conduct the on-site inspections and have access to the SUBRECIPIENT's records, shall result in the imposition of sanctions as specified in Article I Section 7 herein.

Said evaluation may be accomplished by the GRANTOR through a management evaluation of the services provided under this AGREEMENT during the term of this AGREEMENT.

ARTICLE XI: INDEMNIFICATION

SUBRECIPIENT shall to the fullest extent allowed by law defend, hold harmless and indemnify the GRANTOR from and against any and all liability, injury, loss, claims, damages, costs, attorneys' fees and expenses of whatever kind or nature which the GRANTOR may sustain, suffer or incur or be required to pay by reason of:

- A. The loss of any monies paid to SUBRECIPIENT;
- B. Fraud, defalcation or dishonesty on the part of any person representing, employed by, contracted or subcontracted by SUBRECIPIENT;
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence or default on the part of SUBRECIPIENT or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers and laborers in the execution or performance of this AGREEMENT; or

The indemnity hereunder shall survive termination of the AGREEMENT. In the event that any action, suit or proceeding is brought against the GRANTOR upon any liability arising out of the AGREEMENT, or any other matter indemnified against, the GRANTOR at once shall give notice in writing thereof to SUBRECIPIENT by registered or certified mail addressed to SUBRECIPIENT. Upon receipt of such notice, SUBRECIPIENT, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the GRANTOR.

ARTICLE XII: SIGNATURE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by its officers as of the date first written above.

GRANTOR:

SUBRECIPIENT:

Diane Wolfe Marlin, Mayor

Signature

Charles Smyth, City Clerk

Printed Name and Title

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I, the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act in his/her capacity as _____ of _____, and as the free and voluntary act of said organization for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, _____.

Notary Public

**Attachment 1 - Urbana HOME Consortium Homebuyer
Program Policies and Procedures**

**Urbana HOME Consortium
Resale and Recapture Guidelines for
HOME Program Activities**

The Urbana HOME Consortium will use HOME Investment Partnerships Program funds to provide housing for low-income persons. The forms of funding used to assist homebuyers and/or developers include: down payment assistance, development subsidies, or some combination of these methods. The Consortium will use the Recapture method of insuring affordability for all homebuyer activities in which direct HOME funds assistance is provided. The Consortium will use the Resale provision of insuring affordability when direct HOME funds assistance is not provided. Only one method shall be utilized for each project, the Recapture method is only allowed when there is direct HOME funds assistance provided.

Recapture Provisions

Subject to recapture are the HOME funds that are invested in a HOME assisted unit, as a direct subsidy to the homebuyer. The subsidy could include down payment assistance and the amount of each subsidy would be a minimum of \$1,000 and differ per each homebuyer. The minimum length of affordability is based on the total direct HOME funds assistance provided:

Total HOME Subsidy per unit	Minimum period of Affordability
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

Affordability Requirements for the HOME Program

The period of affordability shall commence from the date the activity is identified as “completed” in HUD’s Integrated Disbursement Information System (IDIS).

The Recapture Provisions are as follows:

- The Affordability Period shall be based on the total direct HOME subsidy to the homebuyer and does not take into account a development subsidy provided on the unit.
- The buyer must be purchasing the home to use as a principal residence. In other words, the buyer must intend to live in the home for the entire affordability period and not be buying the home for any other purpose, such as investment or rental property.
- Enforcement Mechanisms – Recapture provisions shall be detailed within each program written agreement between the homebuyer and a Consortium entity and enforced through a Notice of Use Restriction filed with the Champaign County Recorder’s Office. The Urbana HOME Consortium members and designated Community Housing Development Organizations agree that, to the extent allowable by law, to secure the HOME funds, an agreement with the homebuyer, as well as a mortgage, promissory note, and land use regulatory agreement shall be executed for any HOME funded homeownership property. Each document will include the prescribed net sales proceeds provisions for the recapture of HOME funds. The mortgage and promissory note are to be recorded against the title to the property.
- The requirements within shall be triggered upon sale or transfer of the HOME assisted property. As listed below:

- In the event of a sale, conveyance or other transfer of the property, excluding any one or more of the following (each, a "Permitted Transfer"): any sale, conveyance or transfer
 - (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant Owner, (C) by will, or (D) upon foreclosure or deed in lieu of foreclosure, provided however that there are no Net Proceeds from the foreclosure or deed in lieu of foreclosure or that the Consortium has received all or a portion of the funds from the Net Proceeds from the foreclosure or deed in lieu of foreclosure, then the Consortium shall receive a portion of the funds from the Net Proceeds.
- The Consortium will reduce the HOME investment amount to be recaptured from the Net Proceeds on a prorated basis for the time the Homeowner has owned and occupied the housing measured against the remaining years in the required Affordability Period. The prorated basis is as follows:
 - First Year - 90% of HOME investment from available Net Proceeds
 - Second Year - 70% of HOME investment from available Net Proceeds
 - Third Year - 50% of HOME investment from available Net Proceeds
 - Fourth Year - 30% of HOME investment from available Net Proceeds
 - Fifth Year - 10% of HOME investment from available Net Proceeds
- The amount of recapture funds are subject to the availability of Net Proceeds available from the resale of the property. The term "Net Proceeds" shall mean the proceeds as indicated upon a closing settlement statement of the net amount to be paid to the seller. In the event that no such statement exists, "Net Proceeds" shall mean the amount equal to the sales price (X) minus any superior private debt (Y) and minus any reasonable closing costs (Z), as determined by the Consortium, including, but not limited to, title insurance, recording fees, Realtor's commissions or property taxes.
- Additionally, the assisted Homebuyer will agree within the Affordability Period, to not vacate and then lease the property. In the event that the Homebuyer should vacate and then lease the property within the Affordability Period, the Homebuyer agrees, upon written demand from the Consortium sent to the Homebuyer's last known address, to re-occupy the property within a reasonable time as determined by the Consortium and remain in the property until the expiration of the Affordability Period. If re-occupancy does not occur the Homebuyer agrees to repay the total amount of the HOME subsidy assistance to the Consortium. The repayment shall become due and payable upon the Consortium's demand.

Resale Provisions

Subject to Resale Provisions are the total HOME funds that are invested in a HOME-assisted unit in which no direct subsidy assistance is provided. The minimum length of affordability is based on the total HOME funds assistance provided:

Affordability Requirements for the HOME Program

Total HOME Subsidy per unit	Minimum period of Affordability
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

The period of affordability shall commence from the date the activity is identified as "completed" in HUD's Integrated Disbursement Information System (IDIS).

The Resale Provisions are as follows:

- The Affordability Period is based on the total amount of HOME funds invested in a property.
- The buyer must be purchasing the home to use as a principal residence. In other words, the buyer must intend to live in the home for the entire affordability period and not be buying the home for any other purpose, such as investment or rental property.
- Enforcement Mechanisms – Recapture provisions shall be detailed within each program written agreement between the homebuyer and the Urbana HOME Consortium and enforced through a Notice of Use Restriction filed with the Champaign County Recorder’s Office.
- Methods – The Resale option ensures that the HOME assisted unit remains affordable over the entire period of affordability. Resale Provisions must be used where there is no direct HOME funds assistance provided.
- The requirements within shall be triggered upon sale or transfer of the HOME assisted property. As listed below:
 - Within the Affordability Period, the Owner agrees to only sell, convey or otherwise transfer the property to a low-income buyer for a sales price that is affordable and provides a fair return on owner investment, excluding any one or more of the following (each, a “Permitted Transfer”): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant Owner, (C) by will to a low-income buyer, or (D) upon foreclosure or deed in lieu of foreclosure, provided however the Affordability Period has not expired and any resale of the property is to a low-income buyer who will occupy the property for the remainder of the Affordability Period.
- The term “low-income buyer” has an annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the area median income (as defined by HUD) for the Champaign County area.
- For HOME assisted projects that do not include direct buyer assistance, a resale restriction will be used, to be in effect for the duration of the affordability period. The affordability period is based on the amount of HOME assistance provided to the project. A land use restriction shall be recorded against the title to the property. This document will include a provision restricting the sales price such that it must be “affordable” to low-income buyers. In this instance, the affordable price results in a monthly housing cost for principal, interest, taxes and insurance of not more than 30% of the gross monthly income for a household below 80% of the area median income for the Champaign County Area.
- For HOME-assisted, homeownership units, wherein HOME funds are not utilized to provide direct assistance to the homebuyer, net proceeds from the sale must provide the original homebuyer, now the home seller, a “fair return” on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
 - The cost of any capital improvements, documented with receipts including but not limited to the following:
 - Any additions to the home such as a bedroom, bathroom, or garage;
 - Replacement of heating, ventilation, and air conditioning systems;
 - Accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally-funded grant program; and
 - Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.

- The increase in the value of owner equity and investment as calculated by the cumulative percentage of change which is calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency (X) plus 1.00 times the total owner investment at time of purchase (Y) plus the documented improvements as described above (Z).
 - (Example - Home purchased in 2000 for \$50,000. The HPI for 2000-2004 stayed the same at +.03 for each year, which calculates to a cumulative percentage of .12. To calculate "fair return" one must multiply $\$50,000 \times 1.12 = \$56,000$, plus the documented improvements of \$4,000 would total \$60,000. The "fair return" to the seller would be the increase in value of \$60,000, minus the original investment of \$50,000 to equal a \$10,000 fair return.)
- Additionally, the assisted Homebuyer will agree within the Affordability Period, to not vacate and then lease the property. In the event that the Homebuyer should vacate and then lease the property within the Affordability Period, the Homebuyer agrees, upon written demand from the Consortium sent to the Homebuyer's last known address, to re-occupy the property within a reasonable time as determined by the Consortium and remain in the property until the expiration of the Affordability Period. If re-occupancy does not occur the Homebuyer agrees to repay the total amount of the HOME subsidy assistance to the Consortium. The repayment shall become due and payable upon the Consortium's demand.

Attachment 2 – Home Buyer Mortgage Analysis Spreadsheet, Homebuyer Agreement, Mortgage, Promissory Note

HOME BUYER MORTGAGE ANALYSIS

Instructions
Enter data into white spaces in all four tabs. If eligible for assistance, a positive number will appear in cell

File #:

Buyer:

Address:

House Information

Purchase Price

Appraised Value

Bank Requirements

Bank Ratio Front End

Back End

Annual Interest Rate

Loan Term (Years)

Constant Annual Percent

Loan to Value

Closing Costs

Household Information

Annual Income	<input type="text" value="\$0"/>	\$0.00 Monthly Income
Annual Taxes	<input type="text"/>	\$0.00 Monthly Taxes
Annual Insurance	<input type="text"/>	\$0.00 Monthly Insurance
Total Credit Card Debt	<input type="text"/>	

Debt Capacity

Monthly Income x Front Ratio	\$ -
- Taxes	\$ -
- Insurance	\$ -
- Other Monthly Housing Cost	<input type="text" value="\$ -"/>
= Max. Monthly Debt Service-Front	\$ -

Debt Service for Loan Using LVR	#NUM!
+ Monthly Taxes	\$0.00
+ Monthly Insurance	\$0.00
= Monthly Mortgage Payment	#NUM!

Monthly Income x Back Ratio	\$ -
- Taxes	\$ -
- Insurance	\$ -
- Other Monthly Housing Cost	\$ -
- Credit Card Payments	\$ -
- Other Monthly Obligation	<input type="text" value="\$ -"/>
= Max. Monthly Debt Service-Back	\$ -

Front Ratio
Back Ratio

Maximum Monthly Debt Service

Maximum Loan Using Front/Back

Maximum Loan Using LVR

Maximum Loan

Permanent Mortgage

Purchase Price

Loan Amount

Other Credits Available to Buyer

Equity Needed

Closing Costs

Cash Available from Buyer

Non-HOME Down Payment Assistance

DPA #1

DPA #2

DPA #3

DPA #3

Total non-HOME DPA

0.00

Home Buyer Subsidy

Approval Signature: _____

Date: _____

Members of Household		Enter	
Name		Qualify Ann	Monthly
Last	First	Income	Income
			0 0
			0
			0
			0
			0
			0
			0
			0
Total Income			0 0

Monthly Obligations

Auto Loans

Car #1	Monthly Pmt	0.00
Car #2	Monthly Pmt	0.00
Furniture Loans	Monthly Pmt	0.00
Student Loans	Monthly Pmt	0.00
Child Support	Monthly Pmt	0.00
Other Loans	Monthly Pmt	0
Total		0.00

Closing Costs

Origination Fee	0.00
Appraisal	0.00
Credit Report	0.00
Flood Cert	0.00
Settlement Fee	0.00
Title Insurance	0.00
Recording Fees	0.00
Tax Service Fee	0.00
Appraisal Field Review	0.00
Underwriting Fee	0.00
Funding Fee	0.00
Commitment Fee	0.00
MERS Fee	0.00
Document Preparation Fee	0.00
Homebuyer Counseling Fee	0.00
Home Inspection	0.00
Closing Protection Letter	0.00
Pest Inspection	0.00
Other:	0.00
Total	0.00

HOMEBUYER PROGRAM AGREEMENT

THIS HOMEBUYER PROGRAM AGREEMENT (“Agreement”), made as of this ___ day of _____, ____, by and between _____ (“Owner”), who will purchase and will reside at _____ Property I.D. _____ (“Residence”), and the City of Urbana, Illinois, an Illinois unit of local government (“City”), having its principal offices at 400 S. Vine Street, Urbana, Illinois 61801.

WITNESSETH

WHEREAS, the City is a recipient of funds from the United States Department of Housing and Urban Development (“HUD”), as administrator of the HOME Investment Partnerships Program (“HOME Program”) pursuant to which HUD has agreed to make a Deferred Loan to the City, the proceeds of which are to be used to make forgivable Deferred Loans (individually, a “Deferred Loan”) to Eligible Homebuyers (as hereinafter defined) for the acquisition of Eligible Residences (as hereinafter defined) under the City’s Homebuyer Program (“Program”); and

WHEREAS, the Owner will be the owner of the fee simple title to the Residence and have applied to the City for a Deferred Loan in connection with the acquisition of the Residence (“Project”); and

WHEREAS, it is a condition of the making of the Deferred Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement and the Deferred Loan shall be subject to the terms and conditions of the HOME Investment Partnership Act, Code of Federal Regulations Title 24, Volume 1 [24CFR92.1 *et seq.*].
3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:
 - a. The Owner’s household has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the median income for the metropolitan statistical area or county in which the Residence is located, as determined by HUD.
 - b. The Owner will hold fee simple title to the Project.
 - c. The Project will be the principal residence of the Owner, as defined by the United States Department of the Treasury, Internal Revenue Service (IRS) regarding the term “main home.”
 - d. The Owner shall escrow property taxes and homeowners insurance.
 - e. The Owner will occupy the Project as his principal residence within 30 days after the Deferred Loan is provided.
 - f. Deferred Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in Code of Federal Regulations Title 24, Volume 1 Section 92.205) in the form of downpayment assistance.

g. The Owner will adhere to the provisions of the Agreement for the duration of the HOME Affordability Period (as hereinafter defined).

4. **TERMS AND CONDITIONS OF THE DEFERRED LOAN.** The Deferred Loan shall be subject to the following terms and conditions:

a. Amount and Interest. The Deferred Loan shall be in the amount of _____ and ___/100 Dollars, shall bear no interest and be used by the Owner for the Project in form of downpayment assistance.

i. The purchase price of the Residence and any improvements purchased in connection therewith, including any attached items such as carpeting, curtain rods and light fixtures, but exclusive of any settlement or financing costs or any amount paid for property which is not real property or a fixture, is \$ _____. The Owner is not purchasing any unattached items from the Seller in connection with the purchase of the Residence, unless identified in Exhibit A attached hereto if necessary.

ii. The property value of the Residence, per appraisal dated _____, is \$ _____.

iii. The total purchase price, listed in clause i. and the appraised value, listed in clause ii., is less than 95 percent of the area median purchase price as established by the maximum Property Value Limit of \$ _____ for a one-family dwelling, as established annually by HUD.

b. Term and Security.

i. For the purposes of this Agreement, the "HOME Affordability Period" shall mean five (5) years from _____; the date the Project is identified as "completed" in HUD's Integrated Disbursement Information System.

ii. The term "Eligible Properties" shall mean single-family residential detached and attached Residences located within the corporate boundaries of the City.

c. Recapture Provisions. The City has adopted a Recapture Policy based upon the guidance found in Code of Federal Regulations Title 24, Section 92.254.

i. The Owner agrees, among other things, within the HOME Affordability Period, to notify the City of any proposed sale of the Residence.

ii. In the event of a sale, conveyance or other transfer of the Residence excluding any one or more of the following (each, a "Permitted Transfer"): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant Owner, (C) by will, or (D) upon foreclosure or deed in lieu of foreclosure, provided however that there are no Net Proceeds (as hereinafter defined) from the foreclosure or deed in lieu of foreclosure or that the City has received all or a portion of the Deferred Loan from the Net Proceeds (as herein below as outlined) from the foreclosure or deed in lieu of foreclosure, then the City shall receive a portion of the Deferred Loan (as herein below as outlined) from the Net Proceeds.

iii. The portion of Deferred Loan received by the City from the Net Proceeds is based upon the proration of the remaining years of the HOME Affordability Period at the time of a sale, conveyance or other transfer of the Residence, excluding those Permitted Transfers described in clause ii. The table below describes the portion of the Deferred Loan the City will receive from the Net Proceeds.

Sale occurs within:	1 st Year of 5 Year Period	2 nd Year of 5 Year Period	3 rd Year of 5 Year Period	4 th Year of 5 Year Period	5 th Year of 5 Year Period
Portion of Grant Received	90% (Max Amount to be recaptured: \$ _____)	70% (Max. Amount to be Recaptured: \$ _____)	50% (Max. Amount to be Recaptured: \$ _____)	30% (Max. Amount to be Recaptured: \$ _____)	10% (Max. Amount to be Recaptured: \$ _____)

- iv. For the purposes of this Agreement, "Net Proceeds" of a sale are an amount equal to the sales price minus the amount of the loan repayment, other than the HOME Investment, and reasonable closing costs; or, in the event of a foreclosure, the amount stated to be "surplus funds" as indicated in the "Report of Sale" filed with the Court.
 - v. The amount due shall not exceed the total amount of the original HOME investment.
 - vi. As used herein, the term "Permitted Refinancing" shall mean a refinancing to lower the interest rate, decrease the loan term or lower the monthly payment of such first mortgage loan, but not a refinancing that increases the outstanding balance of such first mortgage loan, increases the interest rate or by any other means reduces borrower equity in the Residence or increases borrower obligations. Any Permitted Refinancing must be approved by the City, in writing, in advance.
 - vii. If none of the events described in clauses above occurs prior to the expiration of the HOME Affordability Period, or if any sale, conveyance or transfer of the Residence occurs due to a Permitted Transfer, the provisions of the Agreement and corresponding Deferred Loan Documents (as hereinafter defined) shall be forgiven in their entirety.
- d. Residency Status. In accordance with Section 92.254, Title 24 of the Code of Federal Regulations, the Project shall remain the principal residence of the Owner throughout the HOME Affordability Period regardless of the applicable Recapture Provisions of the Residence described in Section c.
- i. The Owner agrees, among other things, within the HOME Affordability Period, regardless of the applicable Recapture Provision of the Residence: to not vacate and then lease the Residence.
 - ii. Notwithstanding clause I, in the event that the Owner should vacate and then lease the Residence within the HOME Affordability Period, the Owner agrees, upon written demand from the City sent to the Owner's last known address, to re-occupy the Residence within a reasonable time as determined by the City and remain in the Residence until the expiration of the HOME Affordability Period.
 - iii. If re-occupancy, described in clause (ii), does not occur the Owner agrees to repay the total amount of the Deferred Loan, as set forth in Section a., to the City. The repayment shall become due and payable upon the City's demand.
 - iv. If none of the events described in clauses above occurs prior to the expiration of the HOME Affordability Period, the provisions of the Agreement and corresponding Deferred Loan Documents (as hereinafter defined) shall be forgiven in their entirety.
- e. Deferred Loan Documents. Upon the City's approval of the Project, the Owner shall deliver to the City executed copies of the following documents, in the numbers set forth below, and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement, "Deferred Loan Documents):
- i. Mortgage and Promissory Note; and
 - ii. Any and all other documents and showings requested by the City.
- f. Payment. Any portion of the Deferred Loan required for the Project shall be disbursed at the closing.
- g. Errors and Omissions/Compliance. The Owner agrees, upon request by the City or its representative, to fully cooperate and adjust for clerical errors, any or all Deferred Loan documents if deemed necessary or desirable in the reasonable discretion of the City.

5. HOME BUYER PROGRAM REQUIREMENTS.

- a. Governmental Approvals. The Owner shall obtain or cause to be obtained all Federal, State and local governmental approvals required by law for the Project.

- b. Compliance with Laws. The Owner shall cause the Project to comply with all Federal, State and local codes, ordinances, zoning ordinances, including but not limited to, the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 *et seq.*), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 *et seq.*), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. 2601 *et seq.*), and 24 C.F.R. 35), each as respectively amended from time to time, and the housing quality standards set forth in the Agreement and Program Regulations. The Owner shall cause the Project to remain in compliance not only at time of Deferred Loan assistance, but throughout the HOME Affordability Period.
 - c. Certification of Income. The Owner shall, upon the City's request, certify as to its household income on the form provided by the City. The Owner shall provide such written evidence substantiating the information on such Certification of Income Eligibility as the City may require.
 - d. Certification of Occupancy. Within the HOME Affordability Period, the Owner shall comply with the Annual Certification of Occupancy that is required by the City. The Owner agrees, during the HOME Affordability Period, to sign annually an affidavit certifying that the Residence is still the principal residence of the Owner. The schedule of annual certification shall be provided to the Owner by the City upon closing of the Deferred Loan.
 - e. Inspection. The City shall have the right to inspect the Residence during the course of the Project. The Residence shall pass such inspection as determined by the City's inspector.
 - f. Insurance Proceeds. If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable in the City's judgment.
6. NON-DISCRIMINATION. The Owner shall require that all contractors comply with all of the provisions of Paragraph 282 of the HOME Act, and all provisions of Federal, State and local laws relating to non-discrimination, as applicable.
7. CONFLICTS. Owner shall not enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with an employee, agent, consultant, officer or elected or appointed official of the City, or, in some circumstances, business associates or members of the family of such individuals (an "Affiliate"), except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any Affiliate.
8. RECORDS. At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner's income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.
9. INDEMNIFICATION.
 - a. The Owner hereby agrees to indemnify the City and the City's respective officers, agents, employees or servants against and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorney's fees, settlements or judgments, whether by direct suit or from third parties, arising out of the Owner's performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the City or the City's officers, agents, employees or servants.
 - b. If a claim or suit is brought against the City or the City's respective officers, agents, employees or servants, for which the Owner is responsible pursuant to Paragraph 9(a), the Owner shall defend, at the Owner's cost and expense, any suit or claim, and shall pay any resulting claims judgments, damages, losses, costs, expenses or settlements against the City or the City's respective officers, agents, employees or servants.

10. **DEFAULT.** Violation of any of the provisions of this Agreement by the Owner shall be deemed an "Event of Default" hereunder. The City shall give written notice of an Event of Default to the Owner, as provided in Paragraph 12 hereof. If (i) such Event of Default is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such Event of Default is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered to be an Event of Default), or (ii) if there exists any Default under any other Deferred Loan Document, the City may declare a default under this Agreement ("Default"), effective on the date of such declaration of Default and notice thereof to the Owner, and upon such default the City may:

- a. Terminate this Agreement;
- b. Exercise any rights it may have under the Deferred Loan Documents; and
- c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver of any Event of Default of this Agreement by the City shall be deemed to be a waiver of any other Event of Default or a subsequent Event of Default. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

11. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.

12. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth in the preliminary paragraph hereof, by any of the following means: (a) personal service; (b) electronic communication, whether by telegram or telecopier, together with confirmation of transmission; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection 12(a) or 12(b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection 12(c) shall be served and effective one business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection 12(d) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

13. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its right to the Deferred Loan proceeds or any of its obligations hereunder without the prior written approval of the City.

14. **SURVIVAL OF OBLIGATIONS.** The Owner's obligations, excluding Recapture Provisions described in Section c. and Section d., as set forth in this Agreement, shall survive the disbursement of the Deferred Loan and HOME Affordability Period, and the Owner shall continue to cooperate with the City and furnish any documents, exhibits or showings required.

15. **CONSTRUCTION OF AGREEMENT.**

- a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or

- the application thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- b. Gender. The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.
 - c. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of any provision of the Agreement.
 - d. Construction. This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.
16. **COUNTERPARTS**. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.
17. **WAIVER OF JURY TRIAL**. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PROGRAM OR THIS AGREEMENT.
18. **LIABILITY OF CITY**. In no event shall the City be liable to the Owner for consequential or incidental damages, including, without limitation, lost profits, whatever the nature of the breach by the City of its obligations under this agreement or the Deferred Loan Documents or in connection herewith or with the Project, and the Owner waives all claims for consequential and incidental damages and for all damages described in Paragraph 19 below.
19. **FUNDING**. The parties acknowledge that the Deferred Loan is to be funded with monies provided by HUD, and that the City is under no obligation to request such funds for any disbursement of Deferred Loan proceeds unless and until all necessary preconditions to disbursement have been satisfied to the City's satisfaction, and that significant time delays might result from the funding of such monies by HUD. Without limiting the generality of Paragraph 18 above, in no event shall the City be liable to the Owner for any damages whatsoever which might result in whole or in part from any delays in funding any proceeds of the Deferred Loan.

[Signatures on Next Page]

IN WITNESS THEREOF, I have hereunto set my hand and seal this _____ day of _____, _____.

BUYER

STATE OF ILLINOIS,)
) SS
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed, sealed, and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and notarial seal, this _____ day of _____, _____.

Notary Public

CITY OF URBANA, an Illinois Municipal corporation,

By: _____
Grants Management Division Manager

Prepared by and Return to:
City of Urbana
Grants Management Division
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

MORTGAGE

THIS MORTGAGE ("Mortgage") is given on _____, _____ by _____ (the "Borrower") to the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801, acting as the lead entity for the Urbana HOME Consortium (the "Grantor"). Borrower conditionally owes the Grantor a maximum amount of _____ and /100 (\$ _____). This debt is evidenced by Borrower's promissory note (the "Note") dated the same date as this Mortgage, a copy of which is attached hereto as Exhibit "A", which provides for a five-year (5) term, hereinafter referred to as the "Affordability Period," commencing on _____; the date the Project is identified as "completed" in HUD's Integrated Disbursement Information System.

This Mortgage secures to the Grantor: (a) all repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums advanced by the Grantor pursuant to paragraph 7 of this Mortgage to protect the security of this Mortgage; and (c) the performance of Borrower's covenants and agreements under this Mortgage and the Note.

For these purposes, Borrower hereby mortgages, grants and conveys to the Grantor, its successors and assigns, the real property described as:

Legal Description:

Common address:

PIN: _____

located in the County of Champaign, State of Illinois, together with (a) all the improvements now or hereafter erected on the property and all easements, rights and appurtenances thereto; (b) all leases and licenses with respect to the property; (c) all rents, royalties and profits thereof; and (d) all fixtures and equipment now or hereafter in or on the property. All replacements and

additions shall also be covered by this Mortgage. The real property referenced above and all of the other property subject to this mortgage is hereinafter referred to collectively in this Mortgage as the "Property".

Borrower covenants that Borrower is the lawful owner of the Property conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for the encumbrances of record described in Exhibit "B" hereto acceptable to the Grantor (the "Permitted Encumbrances"). Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

Borrower covenants to the Grantor as follows:

1. **Payment Under the Note.** Borrower agrees to promptly pay when due any amounts required to be paid by the Note.

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by the Grantor under paragraph 1 will be applied to principal due under the Note.

3. **Charges and Liens.** Borrower will pay all taxes, assessments, charges and fines attributable to the Property which may attain priority over this Mortgage. Borrower will pay these obligations on time directly to the person to whom payment is owed.

Borrower will promptly discharge any lien which may attain priority over this Mortgage unless Borrower: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Grantor; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Grantor's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to the Grantor subordinating the lien to this Mortgage. If the Grantor determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, the Grantor may give Borrower a notice identifying the lien. Borrower will satisfy the lien or take one or more of the actions set forth above within ten (10) days of the Grantor's giving of such notice.

4. **Hazard Insurance.** Borrower will keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which the Grantor requires insurance. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Grantor, will name the Grantor as a loss payee and will include a provision requiring 30 days advance written notice to the Grantor prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Grantor and must include a standard mortgage clause. The Grantor may hold the policies and renewals and, if the Grantor requires, Borrower will promptly give to the Grantor all receipts of paid premiums and renewal notices. Upon the occurrence of a loss covered by insurance, Borrower will give prompt notice to the insurance carrier and the Grantor. The Grantor may make proof of loss if not made promptly by Borrower.

Insurance proceeds will be applied to restoration or repair of the Property damaged if the Grantor determines that the restoration or repair is economically feasible and the Grantor's security is not lessened by such restoration or repair. In such event, the Grantor has the right to collect and hold the insurance proceeds and make the proceeds available to Borrower from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Grantor determines that the restoration or repair is not economically feasible or the Grantor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from the Grantor that the insurance carrier has offered to settle a claim, then the Grantor may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

If under paragraph 19 the Property is acquired by the Grantor, Borrower's right to any insurance policies and all insurance proceeds resulting from damage to the Property prior to the Grantor's acquisition shall pass to the Grantor to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. **Preservation and Maintenance of Property.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. Borrower shall cause the Property to comply with all local codes, ordinances, zoning ordinances, the Model Energy Code and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in Section 370.601 of the Rules.

6. **Occupancy Restrictions.** Borrower covenants that during the Affordability Period, the property shall be occupied and maintained as the principal residence of the Borrower.

Any sale or use of the Property for a purpose other than the principal residence of the Borrower within the Affordability Period, shall be considered a default of this agreement, and shall initiate repayment of the loan as required by the Note.

In the event of foreclosure or deed in lieu of foreclosure of Prior Security Deed or assignment of the first mortgage to the Secretary of Housing and Urban Development, any provisions herein or any provisions in any other collateral agreement restricting the use of the property or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect. Any person (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of a Prior Security Deed shall receive title to the Property free and clear from such restrictions.

7. **Protection of the Grantor's Rights in the Property: Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that might significantly affect the Grantor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Grantor may do and pay for whatever is necessary to protect the value of the Property and the Grantor's rights in the Property. The Grantor's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys'

fees and entering on the Property to make repairs. Although the Grantor may take action under this paragraph 7, the Grantor does not have to do so. Any amount disbursed by the Grantor under this paragraph 7 shall become additional debt of Borrower secured by this Mortgage.

8. **Inspection**. The Grantor or its agents may make reasonable entries upon and inspections of the Property. The Grantor shall give Borrower notice prior to the time of an inspection specifying reasonable cause for the inspection.

9. **Condemnation**. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to the Grantor and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to Borrower. If the Property is abandoned by Borrower or if, after notice by the Grantor to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to the Grantor within 30 days after the date the notice is given, the Grantor is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

10. **Borrower Not Released; Forbearance Not a Waiver**. Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Grantor to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower' successors in interest. The Grantor shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower' successors in interest. Any forbearance by the Grantor in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound**. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Grantor and Borrower and shall be covenants running with, binding and burdening the Property, subject to the provisions of paragraphs 17 and 21.

12. **Loan Charges**. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. The Grantor may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Notwithstanding anything to the contrary set forth in this paragraph 12, no interest or prepayment charge is payable under the Note.

13. **Legislation Affecting the Grantor's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Grantor, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 19. If the Grantor exercises this option, the Grantor shall take the steps specified in paragraph 19.

14. **Notices.** Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) overnight courier; or (b) registered or certified United States mail, postage prepaid, return receipt requested.

The Borrower:

The Grantor:

City of Urbana
ATTN: Grants Division Manager
400 S. Vine Street
Urbana, IL 61801
217-384-2447

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

15. **Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or Note, as the case may be, which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and this Mortgage.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** In the event of (a) a default by Borrower, beyond any applicable cure period, of its obligations under the Note or this Mortgage, or (b) a sale, conveyance or other transfer of the Property for consideration, excluding, however, if Borrower are individuals, any sale, conveyance or transfer to a spouse upon a dissolution of marriage, or to a surviving spouse upon the death of a Borrower, then Borrower shall repay to the Grantor the Loan, or such portion of the Loan as may be due and payable under the terms of the Note.

Upon the occurrence of either of the foregoing events, the Grantor shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date

the notice is given within which Borrower must pay all sums required by this paragraph 17. If Borrower fails to pay these sums prior to the expiration of this period, the Grantor may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower will have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five (5) days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (w) pays the Grantor all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (x) cures any default of any other covenants or agreements; (y) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (z) takes such action as the Grantor may reasonably require to assure that the lien of this Mortgage, the Grantor's rights in the Property and Borrower's obligations to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. **Acceleration; Remedies.** Prior to any acceleration of the amounts owed to the Grantor under the Note or this Mortgage (other than an acceleration under paragraphs 13 and 17 unless applicable law provides otherwise) the Grantor shall give notice to Borrower following Borrower's breach of any covenant or agreement in this Mortgage (the "Default"). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert, in the foreclosure proceeding, the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Grantor at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Grantor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Property made by virtue of judicial proceedings or a decree of foreclosure and sale, the Grantor may bid for and acquire the Property and in lieu of paying cash therefore may make settlement for the purchase price by crediting upon Borrower's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of Borrower secured by this Mortgage; and third, any excess to Borrower, its successors and assigns.

20. **Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the

Grantor (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the Grantor or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. **Release.** Upon the expiration of the Affordability Period, the Grantor shall release this Mortgage without charge to Borrower. Borrower shall pay any recordation costs.

22. **Waiver of Homestead.** Borrower waives all right of Homestead Exemption in the Property, as described in 735 ILCS 5/12-901. The Borrower reserves the right, however, to seek a reduced assessment based on Homestead under 30 ILCS 200/16-80.

23. **Filing and Recording Fees.** Borrower shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

24. **Property Value.** As of the date of this mortgage, the appraised value of the Property is \$ _____. In accordance with the HOME regulations, the purchase price does not exceed 95 percent of the median purchase price for the metropolitan area as published by the Department of Housing and Urban Development.

By signing below, Borrower accepts and agrees to be bound by the terms and covenants in this Mortgage.

Borrower

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, _____.

Notary Public

Approved

CITY OF URBANA, ILLINOIS

By: _____

Its: _____

EXHIBIT “A” (to mortgage)

PROMISSORY NOTE

U.S. \$ _____

FOR VALUE RECEIVED, the undersigned (“Borrower”) covenants and promise(s) to pay to the order of the City of Urbana (the “Payee”), a unit of local government, the principal sum of _____ and _____/100 Dollars (\$ _____), with interest in the amount of zero percent (0%) (“HOME Investment”).

The Owner agrees, among other things, within the HOME Affordability Period, to notify the City of any proposed sale of the Residence. In the event of a sale, conveyance or other transfer of the Residence excluding any one or more of the following (each, a “Permitted Transfer”): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant Owner, (C) by will, or (D) upon foreclosure or deed in lieu of foreclosure, provided however that there are no Net Proceeds (as hereinafter defined) from the foreclosure or deed in lieu of foreclosure or that the City has received all or a portion of the Deferred Loan from the Net Proceeds (as herein below as outlined) from the foreclosure or deed in lieu of foreclosure, then the City shall receive a portion of the Deferred Loan (as herein below as outlined) from the Net Proceeds. The portion of Deferred Loan received by the City from the Net Proceeds is based upon the proration of the remaining years of the HOME Affordability Period at the time of a sale, conveyance or other transfer of the Residence, excluding those Permitted Transfers described in clause ii. The table below describes the portion of the Deferred Loan the City will receive from the Net Proceeds.

Sale occurs within:	1 st Year of 5 Year Period	2 nd Year of 5 Year Period	3 rd Year of 5 Year Period	4 th Year of 5 Year Period	5 th Year of 5 Year Period
Portion of Grant Received	90% (<i>Max Amount to be recaptured:</i> \$ _____)	70% (<i>Max Amount to be recaptured:</i> \$ _____)	50% (<i>Max Amount to be recaptured:</i> \$ _____)	30% (<i>Max Amount to be recaptured:</i> \$ _____)	10% (<i>Max Amount to be recaptured:</i> \$ _____)

For the purposes of this Agreement, “Net Proceeds” of a sale are an amount equal to the sales price minus the amount of the loan repayment, other than the HOME Investment, and reasonable closing costs; or, in the event of a foreclosure, the amount stated to be “surplus funds” as indicated in the “Report of Sale” filed with the Court.

The amount due shall not exceed the total amount of the original HOME investment. The period from the date of this Promissory Note to the date that is five (5) years after the date of this Note is referred to herein as the “Affordability Period”. This note will be forgiven in its full amount upon expiration of the Affordability Period.

Borrower agrees to repay to the Payee, and the Payee shall have the right to accelerate payment of, the outstanding principal balance upon the earliest to occur, within the Affordability Period, of the following:

- (i) a default by the Borrower, beyond any applicable cure period, under the Mortgage or any other document evidencing or securing the Loan; or

EXHIBIT "B" (to mortgage)

PERMITTED ENCUMBRANCES:

First mortgage in the amount of \$ _____ with _____.

Second mortgage in the amount of \$ _____ with _____.

Third mortgage in the amount of \$ _____ with _____.

Prepared by and Return to:

City of Urbana
Grants Management Division
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

Attachment 3 - Budget
NAVICORE DPA PROGRAM

DPA Budgeted Amount:	\$150,000.00
Maximum Project Delivery:	\$27,671.50
TOTAL	\$177,671.50

Required Match (if all project delivery is requested): **\$44,417.88**

Project Funds are to be expended on the following activities:

Down Payment Assistance Program

HOME funds will be used to provide down payment and closing cost assistance to low-income prospective buyers of single-family homes in the Urbana Consortium area, which consists of the City of Urbana, City of Champaign, and unincorporated Champaign County. Assisted households will have annual incomes at or below 80% of the Area Median in accordance with HOME Regulations. The participating clients make co-payments toward the purchase. The loan for the down payment and closing cost assistance shall not exceed \$14,999 per household.

Project delivery (PD) can be reimbursed as needed for staff time spent undertaking the following actions directly attributable to undertaking the DPA Program: determining income eligibility of applicants, including the time associated with documenting and verifying income and asset sources and determining the amount of the down payment assistance that an applicant is eligible for. Reimbursement will be provided following the submission of adequate information demonstrating that eligible project delivery costs were expended. When housing counseling is provided to a homebuyer that ultimately is not assisted with HOME funds, the cost cannot be charged as a project delivery cost. The use of project delivery funds will increase the amount of match that is required to be provided.

Budgeted Item	HOME Funds Allocated
Down Payment Assistance Program: Homebuyer #1	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #2	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #3	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #4	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #5	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #6	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #7	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #8	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #9	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #10	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #11	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #12	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #13	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #14	\$10,000.00 + \$2,767.15 PD
Down Payment Assistance Program: Homebuyer #15	\$10,000.00 + \$2,767.15 PD
Total	\$177,671.50 HOME (+ Match Required)

ATTACHMENT 4: Statement of Special Conditions and Compliance with Uniform Administrative Requirements

SUBRECIPIENT understands and agrees that it is eligible to receive funds for **FY 2017-2018 Navicore Down Payment Assistance** pursuant to this agreement.

The following conditions, in addition to those established in the agreement itself, and other attachments thereto, and federal, state, county and city laws, regulations, and procedures pertinent to this project, have been set forth and must also be complied with in order for SUBRECIPIENT to receive HOME Program Assistance for **FY 2017-2018 Navicore Down Payment Assistance**.

SUBRECIPIENT agrees that funds received from the Urbana HOME Consortium pursuant to this agreement shall be used to cover project costs. SUBRECIPIENT shall report semi-annually for periods ending December 31st and June 30th all program income generated by activities carried out with HOME funds made available under this agreement. SUBRECIPIENT shall manage program income generated during activities permitted under this agreement as per Article XIII of the attached agreement. SUBRECIPIENT shall follow the program income requirements as outlined in Section 200.307 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular").

1. SUBRECIPIENT agrees to submit semi-annual Progress Reports to the Urbana HOME Consortium (hereinafter the "GRANTOR") in an agreed upon format. Progress Reports shall be due December 31st and June 30th. The GRANTOR shall not process final billing requests for payment until a final Progress Report upon project completion is submitted.

2. SUBRECIPIENT agrees to maintain financial records in accordance with the applicable federal OMB Circulars A-110 and A-122 and to separately and accurately identify use of HOME Program funds pursuant to this agreement.

3. SUBRECIPIENT acknowledges and affirms that it has the organizational capacity to adhere to collection and reporting requirements, regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule Subpart D, Sections 200.300-200.303. Such performance measures will be decided upon by SUBRECIPIENT and the City of Urbana's Grants Management Division. SUBRECIPIENT is permitted to demonstrate organizational capacity by various methods, including but not limited to:

- Use of OMB-approved standard information collections when providing financial and performance information;
- Providing financial data showing performance accomplishments of the Grant award;
- Cost information shall be distributed to the GRANTOR to demonstrate cost effective practices;
- SUBRECIPIENT shall provide the GRANTOR with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
- All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the GRANTOR.

4. SUBRECIPIENT agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which SUBRECIPIENT uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that SUBRECIPIENT uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines will be attached to this agreement as Attachment D and will be incorporated into this agreement by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to procurement by (a) small purchase procedures; (b) sealed bids; (c) competitive proposals; or (d) noncompetitive proposals, as directed by and outlined in Section 200.320.

5. SUBRECIPIENT agrees to provide the City of Urbana's Community Development Services Department with regular reports, and any other reports which the Department may require for compliance under this agreement, including reports on performance measures, as outlined in Section 200.301 of the Omni Circular. SUBRECIPIENT and the GRANTOR shall decide upon such performance measures based on the requirements outlined by HUD for the category of eligible activities that SUBRECIPIENT's program engages in. SUBRECIPIENT shall use OMB-approved information collection standards, when providing financial and performance information. SUBRECIPIENT shall provide financial data, and its relation to performance accomplishments, of the federal award. SUBRECIPIENT agrees to provide the GRANTOR with (a) documents pertaining to procedures; (b) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this agreement; and (c) (if applicable) regularly updated schedules of program activities.

6. SUBRECIPIENT shall obtain written permission from the City of Urbana Grants Management Division Manager or Community Development Director prior to any change in the approved budget or program plans following Omni Circular Section 200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under SUBRECIPIENT's line item budget. In order for the GRANTOR to approve such a request, SUBRECIPIENT's written request must contain, at a minimum: (a) the reason and justification for the change; (b) the amounts to be changed; and (c) a description of which line items are affected. Changes made without the GRANTOR's prior approval may result in non-reimbursement of expenditures from those affected line items.

7. SUBRECIPIENT shall carry sufficient insurance coverage to protect agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any HOME cash advances. SUBRECIPIENT shall comply with the bonding and insurance requirements of the Omni Circular 200.310 and 200.325, Insurance and Bonding requirements.

8. SUBRECIPIENT further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular Sections 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will

participate in the selection, award or administration of a contract supported by HOME funds, if that employee, officer or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees or agents of SUBRECIPIENT may not solicit or accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests. The written standards must also include standards of conduct covering organizational conflicts of interest, in which SUBRECIPIENT may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between SUBRECIPIENT and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by SUBRECIPIENT will include disciplinary actions to be applied for violations of such standards.

9. As a non-governmental entity, SUBRECIPIENT shall comply with the regulations, policies, guidelines, requirements and standards of federal OMB 2 CFR Chapter I, Chapter II, Part 200, *et al*, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" Omni Circular, as specified in this paragraph:

- Subpart B - "General Provisions";
- Subpart C - "Pre-Federal Award Requirements and Contents of Federal Awards," except for Section 200.203, "Notices of funding opportunities," 200.204, "Federal awarding agency review of merit of proposals," 200.205, "Federal awarding agency review of risk posed by applicants," and 200.207, "Specific conditions," which are required only for competitive federal awards;
- Subpart D - "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 - Section 200.305, "Payment." The GRANTOR shall follow the standards contained in 24 CFR 85.20(b)(7) and 85.21 in making payments to SUBRECIPIENT;
 - Section 200.306, "Cost Sharing or Matching";
 - Section 200.307, "Program Income." In lieu of paragraph 200.307, SUBRECIPIENT shall follow HOME program regulations;
 - Section 200.308, "Revision of Budget and Program Plans";
 - Section 200.311, "Real property." In lieu of 200.311, SUBRECIPIENT shall follow HOME program regulations;
 - 24 CFR 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which HOME funds were used to acquire the equipment); and
 - Equipment not needed by SUBRECIPIENT for HOME activities shall be transferred to the GRANTOR for the HOME program or shall be retained

- after compensating the recipient;
 - 24 CFR 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 - 24 CFR 84.52, "Financial Reporting";
 - 24 CFR 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - The retention period referenced in paragraph 84.53(b) pertaining to individual HOME activities shall be eleven years following grant close out; and
 - The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;
 - 24 CFR 84.61 "Termination".
 - Subpart D - "After-the Award Requirements," except for 24 CFR 84.71,"Closeout Procedures."
10. Records maintained by SUBRECIPIENT pursuant to this agreement shall be available for inspection upon request by the GRANTOR and HUD.

Attachment 5
Sample Standard Form –LLL, Disclosure Form to Report Lobbying

DISCLOSURE OF LOBBYING ACTIVITIES Approved by OMB Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046 (See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

PRINT

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zipcode of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

. According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503