

City of Oxnard
Affordable Housing & Rehabilitation Division
HOME & CDBG Loan Program Policies
Effective January 5, 2023



City of Oxnard
Affordable Housing & Rehabilitation Division
435 South D Street, Oxnard, CA 93030
(805) 385-7400 - (805) 385-7416 FAX
www.housing.cityofoxnard.org



CITY OF OXNARD PROGRAM LOAN POLICIES

TABLE OF CONTENTS

TABLE OF CONTENTS. 2

INTRODUCTION AND DISCLOSURES (CONFLICT OF INTEREST) 9

FAIR HOUSING AND AFFIRMATIVE MARKETING. 10

SECTION I: CITYWIDE HOMEBUYER LOAN – HOME FUNDS 11

 PROGRAM DESCRIPTION. 11

 BORROWER ELIGIBILITY. 11

 INCOME LIMITS. 11

 ELIGIBLE DWELLINGS. 11

 PURCHASE PRICE LIMITS. 11

 PROPERTY STANDARDS. 11

 TRANSACTION TYPE. 11

 LOAN TERM. 12

 LOAN SECURITY 12

 COMPLIANCE WITH LOAN RESTRICTIONS. 12

 MINIMUM LOAN AMOUNT. 12

 MAXIMUM ASSISTANCE. 12

 HOMEBUYER CONTRIBUTION 12

 USE OF FUNDS. 12

 ROCESSING PRIORITY. 12

 PRE-APPROVAL/ESCROW / APPROVAL. 13

 AGREEMENT APPROVAL. 13

 FIRST TRUST DEED LOAN TERMS. 13

 PROPERTY TAX AND INSURANCE CALCULATIONS. 13

 MAXIMUM FRONT END RATIO. 13

 MAXIMUM BACK END RATIO. 14

 MAXIMUM COMBINED LOAN-TO-VALUE (CLTV). 14

 HOMEBUYER EDUCATION. 14

 NON PURCHASING SPOUSE. 14

 COSIGNERS/COMORTGAGORS/COBORROWERS. 14

 REDRAW OF LOAN DOCUMENTS. 14

 SUBORDINATION. 14

 PAYOFF DEMAND REQUESTS 14

 PAYMENT OF LOAN. 14

 LOAN PAYMENTS 14

 ACCELERATION/RECAPTURE. 14

 SHORT SALES 14

 EXTENDED ABSENCE. 15

 ASSUMABILITY. 15

 DISCLOSURE OF INFORMATION 15

 PENALTIES FOR APPLICANT/LENDER MISREPRESENTATION. 15

 APPEALS/EXCEPTIONS. 15

SECTION II: CITYWIDE MOBILEHOME REHABILITATION LOAN – HOME FUNDS 16

 PROGRAM DESCRIPTION. 16

 PRE-PROCESSING REQUIREMENT. 16

 TRANSACTION TYPE. 16

USE OF FUNDS.	16
PROCESSING PRIORITY.	16
BORROWER ELIGIBILITY.	16
CO-OWNERS.	16
INCOME LIMITS.	16
ELIGIBLE DWELLINGS.	16
PROPERTY STANDARDS.	16
HOME VALUE LIMITS.	17
PRE-APPROVAL.	17
LOAN APPROVAL.	17
AGREEMENT APPROVAL.	17
MINIMUM LOAN AMOUNT.	17
MAXIMUM ASSISTANCE.	17
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	17
LOAN TERM.	17
PAYMENT OF LOAN.	17
LOAN SECURITY	17
ASSUMABILITY.	17
ESCROW, APPRAISAL, AND TITLE SEARCH	17
SUBORDINATION.	18
PAYOFF DEMAND REQUEST	18
ACCELERATION/RECAPTURE	18
EXTENDED ABSENCE	18
SCOPE OF WORK.	18
CONTRACTORS.	18
CHANGE ORDERS.	18
CONTRACTOR WARRANTIES AND LIEN RELEASES.	18
COMPLIANCE WITH LOAN RESTRICTIONS	18
PENALTIES FOR APPLICANT MISREPRSENTATION.	18
APPEALS/EXCEPTIONS.	19
SECTION III: CITYWIDE SINGLE FAMILY REHABILITATION MATCHING LOAN – HOME FUNDS	20
PROGRAM DESCRIPTION.	20
PRE-PROCESSING REQUIREMENT.	20
TRANSACTION TYPE.	20
USE OF FUNDS.	20
PROCESSING PRIORITY.	20
BORROWER ELIGIBILITY.	20
CO-OWNERS.	20
INCOME LIMITS.	20
ELIGIBLE DWELLINGS.	20
PROPERTY STANDARDS.	20
HOME VALUE LIMITS.	21
PRE-APPROVAL.	21
LOAN APPROVAL.	21
AGREEMENT APPROVAL.	21
MINIMUM LOAN AMOUNT.	21
MAXIMUM ASSISTANCE.	21
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	21

LOAN TERM.	21
LOAN SECURITY	21
COMPLIANCE WITH LOAN RESTRICTIONS.	21
PAYMENT OF LOAN.	22
ASSUMABILITY.	22
SUBORDINATION.	22
PAYOFF DEMAND REQUEST	22
ACCELERATION/RECAPTURE	22
EXTENDED ABSENCE	22
SCOPE OF WORK.	22
CONTRACTORS.	22
CHANGE ORDERS.	22
CONTRACTOR WARRANTIES AND LIEN RELEASES.	22
PENALTIES FOR APPLICANT MISREPRRSENTATION.	23
APPEALS/EXCEPTIONS.	23
SECTION IV: CITYWIDE SINGLE FAMILY REHABILITATION LOAN – HOME FUNDS	24
PROGRAM DESCRIPTION.	24
PRE-PROCESSING REQUIREMENT.	24
TRANSACTION TYPE.	24
USE OF FUNDS.	24
PROCESSING PRIORITY.	24
BORROWER ELIGIBILITY.	24
CO-OWNERS.	24
INCOME LIMITS.	24
ELIGIBLE DWELLINGS.	24
PROPERTY STANDARDS.	24
HOME VALUE LIMITS.	25
PRE-APPROVAL.	25
LOAN APPROVAL.	25
AGREEMENT APPROVAL.	25
MINIMUM LOAN AMOUNT.	25
MAXIMUM ASSISTANCE.	25
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	25
LOAN TERM.	25
LOAN SECURITY	25
COMPLIANCE WITH LOAN RESTRICTIONS.	25
PAYMENT OF LOAN.	25
ASSUMABILITY.	25
SUBORDINATION.	26
PAYOFF DEMAND REQUEST	26
ACCELERATION/RECAPTURE	26
EXTENDED ABSENCE	26
SCOPE OF WORK.	26
CONTRACTORS.	26
CHANGE ORDERS.	26
CONTRACTOR WARRANTIES AND LIEN RELEASES.	26
PENALTIES FOR APPLICANT/LENDER MISREPRRSENTATION.	26
APPEALS/EXCEPTIONS.	27

SECTION V: CITYWIDE HOMEBUYER LOAN – CDBG FUNDS 28

PROGRAM DESCRIPTION. 28

BORROWER ELIGIBILITY. 28

INCOME LIMITS. 28

ELIGIBLE DWELLINGS. 28

PURCHASE PRICE LIMITS. 28

PROPERTY STANDARDS. 28

TRANSACTION TYPE. 28

LOAN TERM. 29

LOAN SECURITY 29

COMPLIANCE WITH LOAN RESTRICTIONS. 29

MINIMUM LOAN AMOUNT. 29

MAXIMUM ASSISTANCE. 29

HOMEBUYER CONTRIBUTION 30

USE OF FUNDS. 30

ROCESSING PRIORITY. 30

PRE-APPROVAL/ESCROW / APPROVAL. 30

AGREEMENT APPROVAL. 30

FIRST TRUST DEED LOAN TERMS. 30

PROPERTY TAX AND INSURANCE CALCULATIONS. 30

MAXIMUM FRONT END RATIO. 31

MAXIMUM BACK END RATIO. 31

MAXIMUM COMBINED LOAN-TO-VALUE (CLTV). 31

HOMEBUYER EDUCATION. 31

NON PURCHASING SPOUSE. 31

COSIGNERS/COMORTGAGORS/COBORROWERS. 31

REDRAW OF LOAN DOCUMENTS 31

LOAN APPLICATION FEE 31

SUBORDINATION. 31

PAYOFF DEMAND REQUESTS 31

PAYMENT OF LOAN. 31

LOAN PAYMENTS 31

ACCELERATION/RECAPTURE. 31

SHORT SALES 32

EXTENDED ABSENCE. 32

ASSUMABILITY. 32

DISCLOSURE OF INFORMATION 32

PENALTIES FOR APPLICANT/LENDER MISREPRESENTATION. 32

APPEALS/EXCEPTIONS. 32

SECTION VI: CITYWIDE SINGLE FAMILY REHABILITATION MATCHING LOAN – CDBG FUNDS 33

PROGRAM DESCRIPTION. 33

PRE-PROCESSING REQUIREMENT. 33

TRANSACTION TYPE. 33

USE OF FUNDS. 33

PROCESSING PRIORITY. 33

BORROWER ELIGIBILITY. 33

CO-OWNERS. 33

INCOME LIMITS. 33

ELIGIBLE DWELLINGS.	33
PROPERTY STANDARDS.	33
HOME VALUE LIMITS.	33
PRE-APPROVAL.	34
LOAN APPROVAL.	34
AGREEMENT APPROVAL.	34
MINIMUM LOAN AMOUNT.	34
MAXIMUM ASSISTANCE.	34
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	34
LOAN TERM.	34
LOAN SECURITY	34
COMPLIANCE WITH LOAN RESTRICTIONS.	34
PAYMENT OF LOAN.	34
ASSUMABILITY.	35
SUBORDINATION.	35
PAYOFF DEMAND REQUEST	35
ACCELERATION OF LOAN	35
EXTENDED ABSENCE	35
SCOPE OF WORK.	35
CONTRACTORS.	35
PERMITS.	35
CHANGE ORDERS.	35
LIEN RELEASES.	35
PENALTIES FOR APPLICANT MISREPRRSENTATION.	35
APPEALS/EXCEPTIONS.	36
SECTION VII: CITYWIDE MOBILEHOME REHABILITATION LOAN – CDBG FUNDS.	37
PROGRAM DESCRIPTION.	37
PRE-PROCESSING REQUIREMENT.	37
TRANSACTION TYPE.	37
USE OF FUNDS.	37
PROCESSING PRIORITY.	37
BORROWER ELIGIBILITY.	37
CO-OWNERS.	37
INCOME LIMITS.	37
ELIGIBLE DWELLINGS.	37
PROPERTY STANDARDS.	37
HOME VALUE LIMITS.	37
PRE-APPROVAL.	37
LOAN APPROVAL.	38
AGREEMENT APPROVAL.	38
MINIMUM LOAN AMOUNT.	38
MAXIMUM ASSISTANCE.	38
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	38
LOAN TERM.	38
PAYMENT OF LOAN.	38
LOAN SECURITY	38
DESIGNATION OF HEIR	38
ASSUMABILITY.	38

SUBORDINATION.	38
PAYOFF DEMAND REQUEST	38
ACCELERATION OF LOAN	39
EXTENDED ABSENCE	39
SCOPE OF WORK.	39
CONTRACTORS.	39
PERMITS.	39
CHANGE ORDERS.	39
LIEN RELEASES.	39
PENALTIES FOR APPLICANT MISREPRRSENTATION.	39
APPEALS/EXCEPTIONS.	40
SECTION VIII: CITYWIDE SINGLE FAMILY REHABILITATION LOAN – CDBG FUNDS	41
PROGRAM DESCRIPTION.	41
PRE-PROCESSING REQUIREMENT.	41
TRANSACTION TYPE.	41
USE OF FUNDS.	41
PROCESSING PRIORITY.	41
BORROWER ELIGIBILITY.	41
CO-OWNERS.	41
INCOME LIMITS.	41
ELIGIBLE DWELLINGS.	41
PROPERTY STANDARDS.	41
HOME VALUE LIMITS.	41
PRE-APPROVAL.	41
LOAN APPROVAL.	42
AGREEMENT APPROVAL.	42
MINIMUM LOAN AMOUNT.	42
MAXIMUM ASSISTANCE.	42
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV).	42
LOAN TERM.	42
LOAN SECURITY	42
COMPLIANCE WITH LOAN RESTRICTIONS.	42
PAYMENT OF LOAN.	42
ASSUMABILITY.	42
SUBORDINATION.	42
PAYOFF DEMAND REQUEST	42
ACCELERATION OF LOAN	43
EXTENDED ABSENCE	43
SCOPE OF WORK.	43
CONTRACTORS.	43
PERMITS.	43
CHANGE ORDERS.	43
LIEN RELEASES.	43
PENALTIES FOR APPLICANT/LENDER MISREPRRSENTATION.	43
APPEALS/EXCEPTIONS.	44

APPENDICES 45
APPENDIX "A": DEFINITIONS. 45
APPENDIX "B": LOAN SUBORDINATION REQUIREMENTS. 48
APPENDIX "C": PAYOFF DEMAND PROCEDURES 51
APPENDIX "D": INCOME CALCULATION WORKSHEET. 52
APPENDIX "D': INCOME LIMITS. 53
APPENDIX "E": MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE LIMIT. 54
APPENDIX "F": MAXIMUM PER UNIT SUBSIDY LIMITS. 55
APPENDIX "G": RECAPTURE POLICY. 56

INTRODUCTION AND DISCLOSURES

The City of Oxnard Affordable Housing & Rehabilitation Division offers loans to income-qualified families requiring assistance for homebuyers and home repairs. The programs are funded by the Home Investment Partnership Program (HOME) and by the Community Development Block Grant Funds (CDBG). These funds are restricted to assisting households that fall within the income limits identified above and are based on a first open escrow, first served basis. A brief summary of the differences are illustrated below. For details, please refer to the appropriate section of these guidelines.

Section	Program	Income Limit	Funding Source
I	Citywide Homebuyer Loan	Up to 80% AMI	HOME
II	Citywide Mobilehome Rehabilitation Loan	Up to 80% AMI	HOME
III	Citywide Single Family Matching Rehabilitation Loan	Up to 80% AMI	HOME
IV	Citywide Single Family Rehabilitation Loan	Up to 80% AMI	HOME
V	Citywide Homebuyer Loan	Up to 80% AMI	CDBG
VI	Citywide Mobilehome Rehabilitation Loan	Up to 80% AMI	CDBG
VII	Citywide Single Family Matching Rehabilitation Loan	Up to 80% AMI	CDBG
VIII	Citywide Single Family Rehabilitation Loan	Up to 80% AMI	CDBG

Note: *The Mobilehome Replacement Loan program was discontinued in September 2013.*

Effective Date of Amended Policies: These policies are adopted February 23, 2016 , and shall amend the policies adopted by City Council on April 19, 2011; amended on May 10, 2012 ; second amendment on September 10, 2013; and third amendment on May 20, 2014.

Compliance with Applicable Regulations: In the event that any conflict arises between these policies and applicable regulations of the HOME program, as amended from time to time by the U. S. Department of Housing and Urban Development (HUD), the regulations promulgated by HUD shall prevail.

Conflict of Interest: No First Time Home Buyer (FTHB) Program loans shall be issued to any person or the immediate family of any person who is in a decision-making position relative to the FTHB Program which includes but is not limited to the staff of the City.

Federal, State, and Local Regulatory Provisions on Conflict of Interest: In accordance with Federal and State regulations no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City of Oxnard who exercise or have exercised any functions or responsibilities with respect to HOME, CDBG, or any other Federal, State, or local assisted activities under this Program, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from this activity, or have a financial interest in any contract, subcontract, or agreement with respect to this activity, or with respect to the proceeds of the

this activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

The Department of Housing and Urban Development (HUD) or the appropriate Federal, State, or local agency will be notified of the eligibility of City employed applicants prior to receiving program benefit assistance.

FAIR HOUSING AND AFFIRMATIVE MARKETING

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The City will ensure that all persons, including those qualified individuals with disabilities, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. This information is used to show that protected classes (i.e. age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
- B. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

I. CITYWIDE HOMEBUYER LOAN - (HOME FUNDS)

PROGRAM DESCRIPTION	The City of Oxnard's Affordable Housing and Rehabilitation Division (AHRD) has a Citywide Homebuyer Loan available to income-qualified families to purchase their first home in the City of Oxnard. The Program will provide assistance in the form of a forgivable loan to potential homebuyers to make homeownership more attainable. The Program is funded by the Home Investment Partnership Program (HOME). Only one forgivable loan per household.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Borrowers and co-borrowers are required to submit an executed Uniform Residential Loan Application (Fannie Mae Form 1003). • All Applicants must be First-Time Homebuyers. • Applicants must be Oxnard residents at time of application and must occupy the property as their primary residence for the term of the Loan. • This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
INCOME LIMITS	Income Limits are based on eighty percent (80%) of the AMI for the Ventura County, Oxnard-Thousand Oaks-Ventura area as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • The assisted property must be located within the Oxnard City Limits.
PURCHASE PRICE LIMITS	Maximum purchase price cannot exceed HOME Value Limits (See Appendix "E").
PROPERTY STANDARDS	<ul style="list-style-type: none"> • HOME assisted projects, including manufactured housing, must meet applicable state or local codes. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The City will conduct an inspection as required per HOME regulations. Property must pass inspection by the City of Oxnard's Affordable Housing Inspector. • The property must be free from any defects that pose a danger to the health or safety of occupants prior to the close of escrow. Any incipient building code violations must be corrected prior to sale or occupancy.
TRANSACTION TYPE	Purchase transactions only.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 5 years if the Loan amount is up to \$15,000 and 10 years if the Loan amount is from \$15,001 up to \$30,000. The Loan is forgivable at the end of the Loan term. • All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan.

	<ul style="list-style-type: none"> No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan. The Loan has 0% annual deferred interest. Owner-occupancy is required until the term expires. Land Contract purchases shall not be eligible for assistance under this program. 														
LOAN SECURITY	<ul style="list-style-type: none"> City shall secure the loan by placing a lien on the property by recording a Deed of Trust with Ventura County Recorder's Office for the loan amount. 														
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. Annual submission of recertification for owner-occupancy will be required. 														
MINIMUM LOAN AMOUNT	\$1,000														
MAXIMUM ASSISTANCE	<ul style="list-style-type: none"> The Maximum Assistance cannot exceed HOME maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250. The loan provides up to thirty thousand dollars (\$30,000) of the purchase price including closing costs. The loan will assist to close the "gap" between the purchase price, primary lender's maximum loan amount, closing costs, and the maximum homebuyer's contribution. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. <p><i>For example:</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">SUBSIDY CALCULATION FOR A FAMILY OF FOUR EARNING \$72,500 annually</th> </tr> </thead> <tbody> <tr> <td>Purchase Price of Property</td> <td style="text-align: right;">\$240,000</td> </tr> <tr> <td>Plus estimated non-recurring closing costs</td> <td style="text-align: right;">7,200</td> </tr> <tr> <td>Less Maximum Primary loan amount</td> <td style="text-align: right;">(194,200)</td> </tr> <tr> <td>Less homebuyer contribution</td> <td style="text-align: right;">(5,000)</td> </tr> <tr> <td>Other subsidies or financial assistance</td> <td style="text-align: right;">(18,000)</td> </tr> <tr> <td>Equals "GAP"</td> <td style="text-align: right;">30,000</td> </tr> </tbody> </table> <p>The City reserves the right to adjust the Loan amounts and percentages based on the type and amount of funds available in all funding sources.</p>	SUBSIDY CALCULATION FOR A FAMILY OF FOUR EARNING \$72,500 annually		Purchase Price of Property	\$240,000	Plus estimated non-recurring closing costs	7,200	Less Maximum Primary loan amount	(194,200)	Less homebuyer contribution	(5,000)	Other subsidies or financial assistance	(18,000)	Equals "GAP"	30,000
SUBSIDY CALCULATION FOR A FAMILY OF FOUR EARNING \$72,500 annually															
Purchase Price of Property	\$240,000														
Plus estimated non-recurring closing costs	7,200														
Less Maximum Primary loan amount	(194,200)														
Less homebuyer contribution	(5,000)														
Other subsidies or financial assistance	(18,000)														
Equals "GAP"	30,000														
HOMEBUYER CONTRIBUTION	The minimum homebuyer contribution shall be \$5,000 with a maximum homeowner contribution to include all liquid assets (as permitted by law).														
USE OF FUNDS	<p>Program funds may be used for the down-payment and/or non-recurring closing costs.</p> <p>For example: credit report, escrow fee, closing fee, recording, title insurance, etc.</p>														
PROCESSING PRIORITY	Funds are available on a first open escrow, first served basis.														
PRE-APPROVAL/ ESCROW/ APPROVAL	<ul style="list-style-type: none"> To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: income, assets, legal residency, Fannie Mae Form 1003, credit report, full income and asset documentation, bank statements, HUD-approved homebuyer education certificate and Good Faith Estimate (GFE). Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter to the Borrower which may be submitted with an offer to purchase. 														

	<ul style="list-style-type: none"> • Escrow must open within ninety (90) days from the date of the pre-approval letter. • Upon written request, a thirty (30) day extension to open escrow will be granted from the expiration date of the pre-approval letter. • Escrow should close within sixty (60) days of opening. • Final Loan Approval will be granted upon receipt of the Estimated Settlement Statement (HUD-1) and the property passing the required inspections. • Loans will be submitted to the City's Loan Review Committee (LRC) for final approval.
AGREEMENT APPROVAL	<ul style="list-style-type: none"> • Loan Agreements will be present to the City's Contract Compliance Review Committee (CCRC) for approval.
FIRST TRUST DEED LOAN TERMS	<ul style="list-style-type: none"> • First Mortgage Product Type: fixed rate 30-year fully amortized loans only. Balloon, interest-only, adjustable rate, negatively amortizing loans, temporary buy-downs, or loans with prepayment penalties are not allowed. • Maximum Loan Amount: determined by the lender (limited by Program's maximum debt ratios.) • Additional Liens: must be approved by the City. • Impounds: not required • Lender Fees: must be reasonable and customary based on industry standards. • FHA Loans: <ol style="list-style-type: none"> 1) Closing costs can be charged to the borrower per FHA closing cost allowances; and 2) The maximum front end ratio [Principal Interest, Taxes, and Insurance (PITI)] shall be 38%. • Ratios are utilized to ensure responsible lending practices and protect against predatory lending.
PROPERTY TAX AND INSURANCE CALCULATIONS	<p>When determining the monthly amount of property taxes, fire and mortgage insurance premiums on all down payment assistance loans, the following standard factors will be used, unless documentation can be provided to justify actual figures:</p> <ul style="list-style-type: none"> • Property Taxes: .0125 of the purchase price, adjusted monthly. • Hazard Insurance Premiums: are estimated at .03 of the loan amount, adjusted monthly. • Private Mortgage Insurance (PMI) or Mortgage Insurance (MI): actual amount, adjusted monthly.
MAXIMUM FRONT END RATIO	Under the Program, HOME does not place restrictions on the minimum front end ratio, therefore assistance will be provided to the extent that will ensure that the household's front end ratio does not exceed 38% of their income.
MAXIMUM BACK END RATIO	<ul style="list-style-type: none"> • 45% of the applicant(s) monthly income • Co-signed, Deferred and Secured Loans shall be included in the determination of the debt-to-income ratio unless paid or refinanced by a joint responsible party prior to or at close of escrow.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	100% of the purchase price or appraised value, whichever is less.
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> • The course must be attended in person, through a HUD-approved Homebuyer Education Provider located within Ventura County. • A Homebuyer Education Certificate must be issued for all buyers within the last 12 months from the date of application.

NON PURCHASING SPOUSE	The income, assets, debts, and liabilities of the non-purchasing spouse will be considered in qualifying the household.
COSIGNERS / COMORTAGORS/ COBORROWERS	Must meet borrower eligibility requirements.
SUBORDINATION	See APPENDIX “B” for Subordination Requirements.
PAYOFF DEMAND REQUESTS	See APPENDIX “C” for Payoff Demand Requests Process.
PAYMENT OF LOAN	The Program Loan payments (principal and interest) will be deferred for the term of the loan.
LOAN PAYMENTS	Payment may be made by mail or in person at 435 South D Street, Oxnard, CA 93030. <i>Payments must be in the form of personal check, cashier’s check or money order, no cash allowed.</i>
ACCELERATION/RECAPTURE	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; (short sale; see short sale section) • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan (principal and accrued interest) is recaptured (due and payable) to the City. (See Appendix G). <p>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
SHORT SALES	<ul style="list-style-type: none"> • Short sales will be considered on a case by case basis. <p>Requests of short sales must be approved by City Council.</p>
EXTENDED ABSENCE	<ul style="list-style-type: none"> • In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify City in writing within 10 days of such absence.
ASSUMABILITY	The Loan is not assumable.
DISCLOSURE OF INFORMATION	No personal information will be disclosed to a third party not listed on the application and/or supporting documentation without prior written authorization from the applicants, or as directed by law.
PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 31 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (<u>28 U.S.C. 2461 note</u>; Public Law 104–410 ^[1]), plus 3 times the amount of damages which the Government sustains because of the</p>

	<p>act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by the City of Oxnard Affordable Housing in its capacity as a city, state, and federal agency.</p>
<p>APPEALS/ EXCEPTIONS</p>	<p>The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten business (10) days from the date of the denial letter.</p>

II. CITYWIDE MOBILEHOME REHABILITATION LOAN - (HOME FUNDS)

PROGRAM DESCRIPTION	The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Citywide Mobilehome Rehabilitation Loan available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). Only one forgivable loan per household.
PRE-PROCESSING REQUIREMENT	The City of Oxnard may provide loans as described in the following policies, when homeowners are unable to obtain traditional financing from a lending institution. Proof is required.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the required rehabilitation based on the HQS Inspection Report (as per HOME Regulations).
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan. • This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent (80%) of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any mobilehome residence. • The assisted property must be located within the Oxnard City Limits. • Homeownership cannot be by installment contract.
PROPERTY STANDARDS	<ul style="list-style-type: none"> • HOME assisted projects must meet applicable state or local codes. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. All housing units assisted with HOME funds are subject to the provisions of the Lead-Based Paint Poisoning prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and implementing regulations at Part 35. • Prior to loan approval, the City will conduct a lead-based paint, asbestos, and HQS inspection by a qualified inspector certified to perform such inspections. Pursuant to 24 CFR 35.930(c), the City will perform a risk assessment, perform interim controls, and implement safe work practices during rehabilitation to repair any paint that is disturbed and known to be lead-based.
PROPERTY STANDARDS Continued...	
HOME VALUE LIMITS	The maximum home value cannot exceed HOME Value Limits (See Appendix "E").

PRE-APPROVAL	<ul style="list-style-type: none"> To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter.
LOAN APPROVAL	Loan will be approved by the Loan Review Committee (LRC).
AGREEMENT APPROVAL	Loan agreement will be approved by Contract Compliance Review Committee (CCRC).
MINIMUM LOAN AMOUNT	\$1,000
MAXIMUM ASSISTANCE	<ul style="list-style-type: none"> The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250. The Program will provide a Loan of up to \$30,000.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<p>Combined loan to value ratio should not exceed 90% of home value.</p> <ul style="list-style-type: none"> Loan to value is determined by the sum of all encumbrances on the property including the City's Citywide Mobilehome Rehabilitation Loan.
LOAN TERM	<ul style="list-style-type: none"> The term of the Loan is 5 years if the Loan amount is up to \$10,000 and 10 years if the Loan amount is from \$10,001 up to \$20,000. A loan of up to \$20,000 has no interest and is forgiven at the end of the Loan term. Any amount in excess of \$20,000 will have a repayment term of ten years with a minimum payment of \$25 per month, up to 120 equal installments commencing the first day of the month following the second month in which the loan is provided. All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan." The Loan has zero percent interest (0) as described in the Note and Truth In Lending Disclosure Statement. Owner-occupancy is required until the term expires.
PAYMENT OF LOAN	The Program Loan payment will be deferred for the term of the loan on a loan amount up to \$20,000. On amounts exceeding \$20,000, a monthly payment is due on the 1 st of the month. The payment shall be amortized over a ten (10) year period, with a minimum payment of no less than \$25.
LOAN SECURITY	City shall secure the loan by placing a lien on the property with a Statement of Lien filed with the State of California Department of Housing and Community Development.
ASSUMABILITY	The Loan is not assumable.
ESCROW, APPRAISAL, AND TITLE SEARCH	Escrow fees, appraisal fees, and title search fees related to the loan are not chargeable to homeowners. Appraisal and title search fees may be considered as eligible program delivery charges and thus recoverable by the City.
SUBORDINATION	See APPENDIX "B" for Subordination Requirements.
PAYOFF DEMAND REQUESTS	See APPENDIX "C" for Payoff Demand Requests Process.

ACCELERATION/RECAPTURE	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan (principal and accrued interest) is recaptured (due and payable) to the City. (See Appendix G). <p>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	<p>In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.</p>
SCOPE OF WORK	<p>The scope of work shall include all items in need of repairs according to the HQS Inspection Report (as per HOME Regulations). Homeowner requests will be taken into consideration along with items in the HQS report.</p>
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor’s list. • Contractors must not appear on the debarment list.
CHANGE ORDERS	<ul style="list-style-type: none"> • Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done.
CONTRACTOR WARRANTIES AND LIEN RELEASES	<p>A contractor must submit completed and signed lien releases for the project. Contractors must provide a written warranty guaranteeing the work for a period of at least one year. A copy of each contractor warranty and each lien release shall be provided to the homeowner and to the City.</p>
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. <p>Annual submission of recertification for owner-occupancy will be required.</p>
PENALTIES FOR APPLICANT MISREPRESENTATION PENALTIES FOR APPLICANT MISREPRESENTATION Continued...	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 31 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (<u>28 U.S.C. 2461 note</u>; Public Law 104-410 ^[1]),</p>

	<p>plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <ul style="list-style-type: none"> • Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by the City of Oxnard Affordable Housing in its capacity as a city, state, and federal agency.
APPEALS/ EXCEPTIONS	<p>The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter.</p>

III. CITYWIDE SINGLE FAMILY MATCHING REHABILITATION LOAN – (HOME FUNDS)

PROGRAM DESCRIPTION	The City of Oxnard’s Affordable Housing and Rehabilitation Division (City) has a Citywide Single Family Matching Rehabilitation Loan (Loan) available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). Only one forgivable loan per household.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the required rehabilitation based on the HQS Inspection Report.
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Applicants must be Oxnard residents at time of application. • Applicants and all persons on title must occupy the property as their primary residence for the term of the Loan. • This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix “D” for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • Assisted property must be located within the Oxnard City Limits. • Homeownership cannot be by installment contract.
PROPERTY STANDARDS	<ul style="list-style-type: none"> • HOME assisted projects, including manufactured housing, must meet applicable state or local codes. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The City will conduct a lead based paint, asbestos, and HQS Inspection prior to loan approval. Property must pass inspection by the City of Oxnard’s Affordable Housing Inspector.
PROPERTY STANDARDS Continued...	
HOME VALUE LIMITS	Maximum home value cannot exceed HOME Value Limits (See Appendix “E”).
PRE-APPROVAL	<ul style="list-style-type: none"> • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-

	<p>occupancy, required home insurance, and mortgage balance statement.</p> <ul style="list-style-type: none"> • Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter.
LOAN APPROVAL	Loan will be approved by the Loan Review Committee (LRC).
AGREEMENT APPROVAL	Loan agreement will be approved by the Contract Compliance Review Committee (CCRC).
MINIMUM LOAN AMOUNT	\$1,000
MAXIMUM ASSISTANCE	<p>The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") and it will also be based on loan to value ratio which should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value ratio is determined by the sum of all encumbrances on the property including any City Loan. Program will provide a Loan of up to \$30,000 for rehabilitation. The Loan provides a 3 to 1 match of the homeowner's contribution. <p><i>For example: If the homeowner contributes \$3,000, the City may contribute up to \$9,000; if the homeowner contributes \$5,000, the City may contribute up to \$15,000.</i></p>
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<p>Combined loan to value ratio should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value is determined by the sum of all encumbrances on the property including any City Loan.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 5 years if the Loan amount is up to \$15,000 and 10 years if the Loan amount is from \$15,001 up to \$30,000. The Loan is forgiven at the end of the Loan term. • All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan." • No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan. • The Loan has 0.00% interest. • Owner-occupancy is required until the term expires.
LOAN SECURITY	<ul style="list-style-type: none"> • City shall secure the loan by placing a lien on the property by recording a Deed of Trust with Ventura County Recorder's Office for the loan amount.
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. • Annual submission of recertification for owner-occupancy will be required.
COMPLIANCE WITH LOAN RESTRICTIONS Continued...	
PAYMENT OF LOAN	The Program Loan payment (principal and interest) will be deferred for the term of the loan.
ASSUMABILITY	The Loan is not assumable.
SUBORDINATION	See APPENDIX "B" for Subordination Requirements.

PAYOFF DEMAND REQUESTS	See APPENDIX "C" for Payoff Demand Requests Process.
ACCELERATION/RECAPTURE	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan (principal and accrued interest) is recaptured (due and payable) to the City. (See Appendix G). <p>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.
SCOPE OF WORK	The scope of work shall include all items in need of repairs according to the Inspection Report (as per HOME Regulations). Homeowner requests will be taken into consideration along with items in the HQS report.
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list. • Contractors must not appear on the debarment list.
CHANGE ORDERS	<ul style="list-style-type: none"> • Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done.
CONTRACTOR WARRANTIES AND LIEN RELEASES	A contractor must submit completed and signed lien releases for the project. Contractors must provide a written warranty guaranteeing the work for a period of at least one year. A copy of each contractor warranty and each lien release shall be provided to the homeowner and to the City.
PENALTIES FOR APPLICANT MISREPRESENTATION PENALTIES FOR APPLICANT MISREPRESENTATION	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 18 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410 [1]), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or</p>

	<p>representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by the City of Oxnard Affordable Housing in its capacity as a city, state, and federal agency.</p>
<p>APPEALS/ EXCEPTIONS</p>	<p>The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter.</p>

IV. CITYWIDE SINGLE FAMILY REHABILITATION LOAN – (HOME FUNDS)

PROGRAM DESCRIPTION	The City of Oxnard’s Affordable Housing and Rehabilitation Division (City) has a Citywide Single Family Rehabilitation Loan (Loan) available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). Only one forgivable loan per household.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the required rehabilitation based on the Inspection Report (as per HOME Regulations).
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan. • This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix “D” for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • The assisted property must be located within the Oxnard City Limits. • Homeownership cannot be by installment contract.
PROPERTY STANDARDS	<ul style="list-style-type: none"> • HOME assisted projects, including manufactured housing, must meet applicable state or local codes. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The City will conduct a lead based paint, asbestos, and HQS Inspection prior to loan approval. Property must pass inspection by the City of Oxnard’s Affordable Housing Inspector.
HOME VALUE LIMITS	The maximum home value cannot exceed HOME Value Limits (See Appendix “E”).
PRE-APPROVAL	<ul style="list-style-type: none"> • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement. • Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter.
LOAN APPROVAL	Loan will be approved by the Loan Review Committee (LRC).

AGREEMENT APPROVAL	Loan agreement will be approved by the Contract Compliance Review Committee (CCRC).
MINIMUM LOAN AMOUNT	\$1,000
MAXIMUM ASSISTANCE	<p>The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") and it will also be based on loan to value ratio which should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value ratio is determined by the sum of all encumbrances on the property including any City Loan. • Program will provide a Loan of up to \$30,000 for rehabilitation with no interest and with no monthly payments. • Program may provide assistance over the initial \$30,000, if required. Any amount over \$30,000 will require 120 equal installments with no interest.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<p>Combined loan to value ratio should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value is determined by the sum of all encumbrances on the property including any City Loan.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 20 years if the Loan amount is up to \$30,000. A loan of up to \$30,000 is forgiven at the end of the Loan term. • Any amount in excess of \$30,000 will have a repayment term of up to ten years, with a minimum payment of \$25 per month, with up to 120 equal installments commencing the first day of the month following the second month in which the loan is provided. • All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan. All Loans have 0.00% interest. • Owner-occupancy is required until the term expires.
LOAN SECURITY	<ul style="list-style-type: none"> • City shall secure the loan by placing a lien on the property by recording a Deed of Trust with Ventura County Recorder's Office for the loan amount.
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. • Annual submission of recertification for owner-occupancy will be required.
PAYMENT OF LOAN	The Program Loan payment (principal and interest) will be deferred for the term of the loan on a loan amount up to \$30,000. On amounts exceeding \$30,000, a monthly payment is due on the 1 st of the month. The payment shall be amortized over a ten (10) year period, with a minimum payment of no less than \$25.
ASSUMABILITY	The Loan is not assumable.
SUBORDINATION	See APPENDIX "B" for Subordination Requirements.
PAYOFF DEMAND REQUESTS	See APPENDIX "C" for Payoff Demand Requests Process.
ACCELERATION/RECAPTURE	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title;

	<ul style="list-style-type: none"> • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan (principal and accrued interest) is recaptured (due and payable) to the City. (See Appendix G). <p>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.
SCOPE OF WORK	The scope of work shall include all items in need of repairs according to the Inspection Report (as per HOME Regulations). Homeowner's requests will be taken into consideration along with items in the HQS report.
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list. • Contractors must not appear on the debarment list.
CHANGE ORDERS	<ul style="list-style-type: none"> • Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done.
CONTRACTOR WARRANTIES AND LIEN RELEASES	A contractor must submit completed and signed lien releases for the project. Contractors must provide a written warranty guaranteeing the work for a period of at least one year. A copy of each contractor warranty and each lien release shall be provided to the homeowner and to the City.
PENALTIES FOR APPLICANT MISREPRESENTATION	Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.
PENALTIES FOR APPLICANT MISREPRESENTATION Continued.....	<p>Title 18 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410 [4]), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by the City of Oxnard Affordable Housing in its capacity as a city, state, and federal agency.</p>
APPEALS/ EXCEPTIONS	The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter.

V. CITYWIDE HOMEBUYER LOAN – (CDBG FUNDS)

PROGRAM DESCRIPTION	The City of Oxnard’s Affordable Housing and Rehabilitation Division (City) has a Citywide Homebuyer Loan available to income-qualified families to purchase their first home in the City of Oxnard. The Program will provide assistance in the form of a forgivable loan to potential homebuyers to make homeownership more attainable. The Program is funded by the Community Development Block Grant Funds (CDBG). Only one forgivable loan per household.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Borrowers and co-borrowers are required to submit an executed Uniform Residential Loan Application (Fannie Mae Form 1003). • All applicants must be First-Time Homebuyers. • Applicants must be Oxnard residents at time of application and must occupy the property as their primary residence for the term of the Loan. • This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
INCOME LIMITS	Income Limits are based on eighty percent (80%) of the AMI for the Ventura County, Oxnard-Thousand Oaks-Ventura area as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix “D” for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • The assisted property must be located within the Oxnard City Limits.
PURCHASE PRICE LIMITS	Maximum purchase price cannot exceed 120% of HOME Value Limits (See Appendix “E”).
PROPERTY STANDARDS	<ul style="list-style-type: none"> • CDBG assisted projects, including manufactured housing, must meet applicable state or local codes. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The City will conduct an inspection of the property. • The property must be free from any defects that pose a danger to the health or safety of occupants prior to the close of escrow. Any incipient building code violations must be corrected prior to sale or occupancy.
TRANSACTION TYPE	Purchase transactions only.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 5 years if the Loan amount is up to \$15,000 and 10 years if the Loan amount is from \$15,001 up to \$30,000. The Loan is forgivable at the end of the Loan term. • All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan.

	<ul style="list-style-type: none"> No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan. The Loan has 0% annual deferred interest. Owner-occupancy is required until the term expires. Land Contract purchases shall not be eligible for assistance under this program. This is a one-time loan; any borrower who receives a housing loan or loans from the City under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
LOAN SECURITY	<ul style="list-style-type: none"> City shall secure the loan by placing a lien on the property by recording a <u>Deed of Trust with Ventura County Recorder's Office for the loan amount.</u>
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. Annual submission of recertification for owner-occupancy will be required.
MINIMUM LOAN AMOUNT	\$1,000
MAXIMUM ASSISTANCE	<ul style="list-style-type: none"> The Maximum Assistance cannot exceed HOME maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250. The loan cannot exceed 50% of the required downpayment The loan provides up to thirty thousand dollars (\$30,000) for downpayment and/or closing costs. The City reserves the right to adjust the Loan amounts and percentages based on the type and amount of funds available in all funding sources.
HOMEBUYER CONTRIBUTION	The minimum homebuyer contribution shall be \$5,000 with a maximum homeowner contribution to include all liquid assets (as permitted by law).
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
PRE-APPROVAL/ ESCROW/ APPROVAL	<ul style="list-style-type: none"> To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: income, assets, legal residency, Fannie Mae Form 1003, credit report, full income and asset documentation, bank statements, HUD-approved homebuyer education certificate and Good Faith Estimate (GFE). Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter to the Borrower which may be submitted with an offer to purchase. Escrow must open and close within 6 months from the date of the pre-approval letter. Final Loan Approval will be granted upon receipt of the Estimated Settlement Statement (HUD-1) and the property passing the required inspections. Loans will be submitted to the City's Loan Review Committee (LRC) for final approval.
FIRST TRUST DEED LOAN TERMS	<ul style="list-style-type: none"> <u>First Mortgage Product Type:</u> fixed rate 30-year fully amortized loans only. Balloon, interest-only, adjustable rate, negatively amortizing loans,

	<p>temporary buy-downs, or loans with prepayment penalties are not allowed.</p> <ul style="list-style-type: none"> • <u>Maximum Loan Amount:</u> determined by the lender (limited by Program's maximum debt ratios.) • <u>Additional Liens:</u> must be approved by the City. • <u>Impounds:</u> not required • <u>Lender Fees:</u> must be reasonable and customary based on industry standards. • <u>FHA Loans:</u> <ol style="list-style-type: none"> 1) Closing costs can be charged to the borrower per FHA closing cost allowances; and 2) The maximum front end ratio [Principal Interest Title and Insurance (PITI)] shall be 38%. • <u>Ratios:</u> are utilized to ensure responsible lending practices and protect against predatory lending.
PROPERTY TAX AND INSURANCE CALCULATIONS	<p>When determining the monthly amount of property taxes, fire and mortgage insurance premiums on all down payment assistance loans, the following standard factors will be used, unless documentation can be provided to justify actual figures:</p> <ul style="list-style-type: none"> • Property Taxes: .0125 of the purchase price, adjusted monthly. • Hazard Insurance Premiums: are estimated at .03 of the loan amount, adjusted monthly. • Private Mortgage Insurance (PMI) or Mortgage Insurance (MI): actual amount, adjusted monthly.
PROPERTY TAX AND INSURANCE CALCULATIONS Continued.....	
MAXIMUM FRONT END RATIO	<ul style="list-style-type: none"> • Assistance will be provided to the extent that will ensure that the household's front end ratio does not exceed 38% of their income.
MAXIMUM BACK END RATIO	<ul style="list-style-type: none"> • 45% of the applicant(s) monthly income • Co-signed, Deferred and Secured Loans shall be included in the determination of the debt-to-income ratio unless paid or refinanced by a joint responsible party prior to or at close of escrow.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<ul style="list-style-type: none"> • 100% of the purchase price or appraised value, whichever is less.
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> • The course must be attended in person, through a HUD-approved Homebuyer Education Provider located within Ventura County or online during a pandemic. • A Homebuyer Education Certificate must be issued for all buyers within the last 12 months from the date of application.
NON PURCHASING SPOUSE	<p>The income, assets, debts, and liabilities of the non-purchasing spouse will be considered in qualifying the household.</p>
COSIGNERS / COMORTAGORS/ COBORROWERS	<p>Must meet borrower eligibility requirements.</p>
	<p>A \$100 fee will be charged for each request to redraw loan documents prior to closing. This fee shall not apply if City initiates the redraw.</p>
SUBORDINATION	<p>A processing fee of \$250 will be charged for each subordination request in accordance with all applicable regulations. See APPENDIX "B" for Subordination Requirements.</p>

PAYOFF DEMAND REQUESTS	A processing fee of \$100 will be charged for each payoff demand request in accordance with all applicable regulations. See APPENDIX "C" for Payoff Demand Requests Process.
PAYMENT OF LOAN	The Program Loan payments (principal and interest) will be deferred for the term of the loan.
LOAN PAYMENTS	Payment may be made by mail or in person at 435 South D Street, Oxnard, CA 93030. <i>Payments must be in the form of personal check, cashier's check or money order, no cash allowed.</i>
ACCELERATION/RECAPTURE	The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term: <ul style="list-style-type: none"> • Sale of the Property; (short sale; see short sale section) • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan (principal and accrued interest) is recaptured (due and payable) to the City. (See Appendix G).
ACCELERATION/RECAPTURE Continued.....	The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.
SHORT SALES	<ul style="list-style-type: none"> • Short sales will be considered on a case by case basis. • Requests of short sales must be approved by City Council.
EXTENDED ABSENCE	In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify City in writing within 10 days of such absence.
ASSUMABILITY	The Loan is not assumable.
DISCLOSURE OF INFORMATION	No personal information will be disclosed to a third party not listed on the application and/or supporting documentation without prior written authorization from the applicants, or as directed by law.

<p>PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION</p>	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 31 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (<u>28 U.S.C. 2461 note</u>; Public Law 104-410 ^[1]), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by the City of Oxnard Affordable Housing in its capacity as a city, state, and federal agency.</p>
<p>APPEALS/ EXCEPTIONS</p>	<p>The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten business (10) days from the date of the denial letter.</p>

VI. CITYWIDE SINGLE FAMILY MATCHING REHABILITATION LOAN – (CDBG FUNDS)

PROGRAM DESCRIPTION	The Community Block Grant Funds (CDBG) (The Program) has a Citywide Single Family Matching Rehabilitation Loan (Loan) available to income-qualified households requiring assistance to rehabilitate their home. Only one forgivable loan per household.
PRE-PROCESSING REQUIREMENT	The Program may provide loans as described in the following policies when homeowners are unable to obtain traditional financing from a lending institution. Proof may be required.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the rehabilitation of the property based on the Physical Needs Inspection Report. Use of CDBG funds will be governed by CDBG regulations and guidelines.
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Applicants must be Oxnard residents at time of application. • Applicants and all persons on title must occupy the property as their primary residence for the term of the Loan.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix “E” for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • Assisted property must be located within the Oxnard City Limits.
PROPERTY STANDARDS	<ul style="list-style-type: none"> • Program funded projects, including manufactured housing, must meet applicable state or local codes for the scope of work being done. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The Program will conduct a lead based paint, asbestos, and Physical Needs Inspection prior to loan approval.
HOME VALUE LIMITS	Maximum home value cannot exceed 120% of HOME Program Value Limits (See Appendix “F”).
PRE-APPROVAL	<ul style="list-style-type: none"> • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement. • Upon review and approval of the documentation submitted, a Pre-Approval Letter will be issued.
LOAN APPROVAL	Approval by the Loan Review Committee (LRC) may be required.

MINIMUM ASSISTANCE	\$1,000; exceptions may be allowed on a case-by-case basis.
MAXIMUM ASSISTANCE	<p>The Maximum Assistance will be based on loan to value ratio which should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value ratio is determined by the sum of all encumbrances on the property including any Program Loan. Program will provide a Loan of up to \$30,000 for rehabilitation. The Loan provides a 3 to 1 match of the homeowner's contribution. <p><i>For example: If the homeowner contributes \$3,000, The Program may contribute up to \$9,000; if the homeowner contributes \$5,000, The Program may contribute up to \$15,000.</i></p>
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<p>Combined loan to value ratio should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value is determined by the sum of all encumbrances on the property including any Program Loan.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 5 years if the Loan amount is up to \$15,000 and 10 years if the Loan amount is from \$15,001 up to \$30,000. The Loan is forgiven at the end of the Loan term. • All loan amounts shall be due and payable to The Program if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of The Program, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan." • No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan. • The Loan has 0.00% interest. • Owner-occupancy is required until the term expires. • This is a one-time loan; any borrower who receives a housing loan or loans from The Program under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
LOAN SECURITY	<ul style="list-style-type: none"> • The Program shall secure the loan by placing a lien on the property by recording a Deed of Trust with Ventura County Recorder's Office for the loan amount.
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from The Program, in order to assist The Program in the process of monitoring compliance with all terms of the loan. • Annual submission of recertification for owner-occupancy may be required.
PAYMENT OF LOAN	The Program Loan payment (principal and interest) will be deferred for the term of the loan.
ASSUMABILITY	The Loan is not assumable.
LOAN APPLICATION FEE	A loan application fee of \$25 may be charged to applicants.
SUBORDINATION	A processing fee of up to \$250 may be charged for each subordination request provided that this is in accordance with all applicable regulations. See APPENDIX "B" for Subordination Requirements.

PAYOFF DEMAND REQUESTS	A processing fee of up to \$100 may be charged for each payoff demand request in accordance with all applicable regulations. See APPENDIX “C” for Payoff Demand Requests Process.
ACCELERATION OF LOAN	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan is due and payable to The Program. <p>The acceleration clause will be in effect upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.
SCOPE OF WORK	The scope of work may include those items requested by the homeowner that are in need of repairs according to the Physical Needs Inspection Report. Elective remodeling is not allowed.
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard. • Contractors must not appear on the debarment list.
PERMITS	Contractor shall obtain all necessary permits required by the City of Oxnard Building & Safety Department.
CHANGE ORDERS	Change orders must be approved by The Program for any changes or additional unforeseen work items prior to work being done.
LIEN RELEASES	A contractor must submit completed and signed lien releases for the project.
PENALTIES FOR APPLICANT MISREPRESENTATION	Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.
PENALTIES FOR APPLICANT MISREPRESENTATION Continued.....	Title 18 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.

	<p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by The Program in its capacity as a city, state, and federal agency.</p>
APPEALS/ EXCEPTIONS	<p>Any appeals of rejected loans must be requested in writing by the applicant and received within ten (10) business days from the date of the denial letter.</p>

VII. CITYWIDE MOBILEHOME REHABILITATION LOAN - (CDBG FUNDS)

PROGRAM DESCRIPTION	The Community Development Block Grant (CDBG) (The Program) has a Citywide Mobilehome Rehabilitation Loan available to income-qualified households requiring assistance to rehabilitate their home. Only one forgivable loan per household.
PRE-PROCESSING REQUIREMENT	The Program may provide loans as described in the following policies, when homeowners are unable to obtain traditional financing from a lending institution. Proof may be required.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the rehabilitation of the property based on the Physical Needs Inspection Report. Use of CDBG funds will be governed by CDBG regulations and guidelines.
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). All members of the household are required to submit full income and assets documentation. Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent (80%) of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "E" for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> Any mobilehome residence. The assisted property must be located within the Oxnard City Limits.
PROPERTY STANDARDS	<ul style="list-style-type: none"> Program funded projects must meet applicable state or local codes for the scope of work being done. All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. The Program will conduct a lead based paint, asbestos, and Physical Needs Inspection prior to loan approval.
CDBG VALUE LIMITS	The maximum home value cannot exceed 120% of HOME Program Value Limits (See Appendix "F").
PRE-APPROVAL	<ul style="list-style-type: none"> To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement. Upon review and approval of the documentation submitted, Pre-Approval Letter will be issued.
PRE-APPROVAL Continued.....	
LOAN APPROVAL	Approval by the Loan Review Committee (LRC) may be required.
MINIMUM LOAN AMOUNT	\$1,000; exceptions may be allowed on a case-by-case basis.
MAXIMUM ASSISTANCE	<ul style="list-style-type: none"> The Program will provide a Loan of up to \$30,000.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	Combined loan to value ratio should not exceed 90% of home value.

	<ul style="list-style-type: none"> • Loan to value is determined by the sum of all encumbrances on the property including The Program’s Citywide Mobilehome Rehabilitation Loan.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 5 years if the Loan amount is up to \$10,000 and 10 years if the Loan amount is from \$10,001 up to \$20,000. A loan of up to \$20,000 has no interest and is forgiven at the end of the Loan term. • Any amount in excess of \$20,000 will have a repayment term of ten years with a minimum payment of \$25 per month, up to 120 equal installments commencing the first day of the month following the second month in which the loan is provided. • All loan amounts shall be due and payable to The Program if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of The Program, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan.” • The Loan has zero percent interest (0) as described in the Note and Truth In Lending Disclosure Statement. • Owner-occupancy is required until the term expires. • Loan cannot be combined with any other Program loan or product. • This is a one-time loan; any borrower who receives a housing loan or loans from The Program under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
PAYMENT OF LOAN	The Program Loan payment will be deferred for the term of the loan on a loan amount up to \$20,000. On amounts exceeding \$20,000, a monthly payment is due on the 1 st of the month. The payment shall be amortized over a ten (10) year period, with a minimum payment of no less than \$25.
LOAN SECURITY	The Program shall secure the loan by placing a lien on the property with a Statement of Lien filed with the State of California Department of Housing and Community Development.
ASSUMABILITY	The Loan is not assumable.
DESIGNATION OF HEIR	All recipients of loans for the purchase or rehabilitation of mobilehomes must provide an executed will designating the person or persons who shall inherit the mobilehome upon the death of the loan recipient, and shall complete State Housing and Community Development form 474 or its equivalent.
LOAN APPLICATION FEE	A loan application fee of \$25 may be charged to applicants.
SUBORDINATION	A processing fee of up to \$250 may be charged for each subordination request in accordance with all applicable regulations. See APPENDIX “B” for Subordination Requirements.
PAYOFF DEMAND REQUESTS	A processing fee of up to \$100 may be charged for each payoff demand request in accordance with all applicable regulations. See APPENDIX “C” for Payoff Demand Requests Process.

ACCELERATION OF LOAN	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p> <ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes; • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan is due and payable to The Program. <p>The acceleration clause will be in effect upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	<p>In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.</p>
SCOPE OF WORK	<p>The scope of work may include those items requested by the homeowner that are in need of repairs according to the Physical Needs Inspection Report. Elective remodeling is not allowed.</p>
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard. • Contractors must not appear on the debarment list.
PERMITS	<p>Contractor shall obtain all necessary permits required by the State of California Housing & Community Development (HCD).</p>
CHANGE ORDERS	<p>Change orders must be approved by The Program for any changes or additional unforeseen work items prior to work being done.</p>
LIEN RELEASES	<p>A contractor must submit completed and signed lien releases for the project.</p>
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from The Program, in order to assist The Program in the process of monitoring compliance with all terms of the loan. • Annual submission of recertification for owner-occupancy may be required.
PENALTIES FOR APPLICANT MISREPRESENTATION	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 31 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p>

PENALTIES FOR APPLICANT MISREPRESENTATION Continued.....	Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by The Program in its capacity as a city, state, and federal agency.
APPEALS/ EXCEPTIONS	Any appeals of rejected Loans must be requested in writing by the applicant and received within ten (10) business days from the date of the denial letter.

VIII. CITYWIDE SINGLE FAMILY REHABILITATION LOAN - (CDBG FUNDS)

PROGRAM DESCRIPTION	The Community Block Grant (CDBG) (The Program) has a Citywide Single Family Rehabilitation Loan (Loan) available to income-qualified households requiring assistance to rehabilitate their home. Only one forgivable loan per household.
PRE-PROCESSING REQUIREMENT	The Program may provide loans as described in the following policies when homeowners are unable to obtain traditional financing from a lending institution. Proof may be required.
TRANSACTION TYPE	Home rehabilitation transactions only.
USE OF FUNDS	Program funds will be used for the rehabilitation of the property based on the Physical Needs Inspection Report. Use of CDBG funds will be governed by CDBG regulations and guidelines.
PROCESSING PRIORITY	Funds are available on a first qualified, first served basis.
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI). • All members of the household are required to submit full income and assets documentation. • Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan.
CO-OWNERS	Must meet borrower eligibility requirements.
INCOME LIMITS	Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "E" for maximum Income Limits per household.
ELIGIBLE DWELLINGS	<ul style="list-style-type: none"> • Any single-family residence, condominium unit, cooperative unit, or manufactured home. • The assisted property must be located within the Oxnard City Limits.
PROPERTY STANDARDS	<ul style="list-style-type: none"> • Program funded projects, including manufactured housing, must meet applicable state or local codes for the scope of work being done. • All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance. • The Program will conduct a lead based paint, asbestos, and Physical Needs Inspection prior to loan approval.
HOME VALUE LIMITS	The maximum home value cannot exceed 120% of the HOME Program Value Limits (See Appendix "F").
PRE-APPROVAL	<ul style="list-style-type: none"> • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement. • Upon review and approval of the documentation submitted, a Pre-Approval Letter will be issued.
LOAN APPROVAL	Approval by the Loan Review Committee (LRC) may be required.
MINIMUM LOAN AMOUNT	\$1,000; exceptions may be allowed on a case-by-case basis.
MAXIMUM ASSISTANCE	<p>The Maximum Assistance will be based on loan to value ratio which should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value ratio is determined by the sum of all encumbrances on the property including any Program Loan.

	<ul style="list-style-type: none"> • Program will provide a Loan of up to \$30,000 for rehabilitation with no interest and with no monthly payments.
MAXIMUM COMBINED LOAN-TO-VALUE (CLTV)	<p>Combined loan to value ratio should not exceed 90% of home value.</p> <ul style="list-style-type: none"> • Loan to value is determined by the sum of all encumbrances on the property including any Program Loan.
LOAN TERM	<ul style="list-style-type: none"> • The term of the Loan is 20 years if the Loan amount is up to \$30,000. A loan of up to \$30,000 is forgiven at the end of the Loan term. • All loan amounts shall be due and payable to The Program if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of The Program, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan.” • All Loans have 0.00% interest. • Owner-occupancy is required until the term expires. • This is a one-time loan; any borrower who receives a housing loan or loans from The Program under this program, regardless of the dollar amount of the loans, shall be ineligible to apply for additional housing loans in the future.
LOAN SECURITY	<ul style="list-style-type: none"> • The Program shall secure the loan by placing a lien on the property by recording a Deed of Trust with Ventura County Recorder’s Office for the loan amount.
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from The Program, in order to assist The Program in the process of monitoring compliance with all terms of the loan. • Annual submission of recertification for owner-occupancy maybe required.
PAYMENT OF LOAN	<p>The Program Loan payment (principal and interest) will be deferred for the term of the loan on a loan amount up to \$30,000. On amounts exceeding \$30,000, a monthly payment is due on the 1st of the month. The payment shall be amortized over a ten (10) year period, with a minimum payment of no less than \$25.</p>
ASSUMABILITY	<p>The Loan is not assumable.</p>
LOAN APPLICATION FEE	<p>A loan application fee of \$25 may be charged to applicants.</p>
SUBORDINATION	<p>A processing fee of up to \$250 may be charged for each subordination request provided that this is in accordance with all applicable regulations. See APPENDIX “B” for Subordination Requirements.</p>
PAYOFF DEMAND REQUESTS	<p>A processing fee of up to \$100 may be charged for each payoff demand request in accordance with all applicable regulations. See APPENDIX “C” for Payoff Demand Requests Process.</p>
ACCELERATION OF LOAN	<p>The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:</p>
ACCELERATION OF LOAN Continued.....	<ul style="list-style-type: none"> • Sale of the Property; • Unauthorized refinancing; • Borrower non-occupancy; • Changes/transfers of title; • Fails to maintain hazard insurance; • Fails to pay property taxes;

	<ul style="list-style-type: none"> • An uncured default by Borrower under this Agreement, the Note or the Deed of Trust; • An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan. • Upon triggering the Acceleration Clause, the full balance of the loan is due and payable to The Program. <p>The acceleration clause will be in effect upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated.</p>
EXTENDED ABSENCE	In the event the borrower will be away from the premises for more than 90 consecutive days, borrower agrees to notify in writing within 10 days of such absence.
SCOPE OF WORK	The scope of work may include those items requested by the homeowner that are in need of repairs according to the Physical Needs Inspection Report. Elective remodeling is not allowed.
CONTRACTORS	<ul style="list-style-type: none"> • Contractors must be licensed by the State of California and City of Oxnard. • Contractors must not appear on the debarment list.
PERMITS	Contractor shall obtain all necessary permits required by the City of Oxnard Building & Safety Department.
CHANGE ORDERS	Change orders must be approved by The Program for any changes or additional unforeseen work items prior to work being done.
LIEN RELEASES	A contractor must submit completed and signed lien releases for the project.
COMPLIANCE WITH LOAN RESTRICTIONS	<ul style="list-style-type: none"> • Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from The Program, in order to assist The Program in the process of monitoring compliance with all terms of the loan. <p>Annual submission of recertification for owner-occupancy may be required.</p>
PENALTIES FOR APPLICANT MISREPRESENTATION	<p>Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.</p> <p>Title 31 § 3729 (a)(1)(G) of the United States Criminal code makes it a criminal offense, punishable by a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times the amount of damages which the Government sustains because of the act of that person to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction.</p> <p>Section 35 (A) of the United States Criminal code makes it a criminal offense, punishable by a maximum of ten (10) years imprisonment, \$10,000.00 fine or both to make a false statement or representation to any department or agency of the United States as to any matter within their jurisdiction. The information above was requested by The Program in its capacity as a city, state, and federal agency</p>
APPEALS/ EXCEPTIONS	Any appeals of rejected loans must be requested in writing by the applicant and received within ten (10) business days from the date of the denial letter.

Appendix “A”

DEFINITIONS: AFFORDABLE HOUSING ASSISTANCE PROGRAMS

<i>APPLICANT</i>	Any person who applies for a loan with the Affordable Housing & Rehabilitation Division.
<i>AREA MEDIAN INCOMES (AMI)</i>	The median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development (HUD) pursuant to Section 8 of the United States Housing Act of 1937: the median income for the Ventura County, Oxnard-Thousand Oaks- Ventura area with adjustments for household size, as adjusted from time to time by HUD.
<i>ASSETS</i>	Cash or non-cash items that can be converted to cash. Assets exclude necessary personal property.
<i>CITY</i>	The City of Oxnard.
<i>COMPLETE APPLICATION</i>	A fully executed (completely filled out and having all required signatures) application with all supporting documents requested on the application.
<i>EIGHTY PERCENT (80%) OF AREA MEDIAN INCOMES (AMI)</i>	Annual gross income up to eighty percent (80%) of the Area Median Income, adjusted for family size (see Appendix “D”).
<i>ELIGIBLE BORROWER</i>	Any person meeting the criteria for an eligible borrower set forth in these guidelines.
<i>ELIGIBLE DWELLING</i>	Any single-family residence, condominium unit, cooperative unit, or manufactured homes that meet HUD conventional guidelines. The assisted property must be located in the City of Oxnard (as defined by the Oxnard Planning Boundaries or you may refer to the most current Thomas Guide, Santa Barbara, San Luis Obispo & Ventura Counties, Street Guide published by Rand McNally).
<i>FIRST TIME HOMEBUYER</i>	All homebuyers must be residents within the city limits of the City of Oxnard. Documentation (i.e. utility bills, driver’s license, income taxes, etc.) of homebuyer status will be required for all homebuyers. Applicants must be “first-time” homebuyers. The Program will use the following definition of an eligible homebuyer, which is a “first-time homebuyer” from 8201(1) Title 25 California Code of Regulations: “First-time homebuyer” means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition: A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A

<p>FIRST TIME HOMEBUYER Continued...</p>	<p>displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;</p> <p>A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or</p> <p>An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:</p> <p>Not permanently affixed to a permanent foundation in accordance with local or state regulations; or</p> <p>Not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.</p>
<p><i>FIRST QUALIFIED-FIRST SERVED</i></p>	<p>Complete applications will be processed prior to incomplete applications to determine program eligibility and upon pre-approval, funds will be reserved.</p>
<p><i>HOME FUNDS</i></p>	<p>Funds received pursuant to the HOME Investment Partnership Program under the Department of Housing and Urban Development (HUD), codified at 42 U.S.C. Section 12701, et seq., 24 CFR Part 92, to provide funds for affordable housing.</p>
<p><i>HOME VALUE</i></p>	<p>The value of the eligible property as determined by sales price and/or a certified appraisal.</p>
<p><i>HOUSEHOLD</i></p>	<p>One or more persons occupying the same housing unit (including foster care children).</p>
<p><i>HOUSEHOLD MEMBERS</i></p>	<p>An individual, or two or more persons related by blood or marriage, or a group of unrelated individuals living together and bearing the generic character of a relatively permanent housekeeping unit in a property unit as defined by HUD. See also "Household."</p>
<p><i>INCOME CALCULATION METHOD</i></p>	<p>Annual income is calculated using the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as described in 24 CFR Part 5.</p>
<p><i>LIQUID ASSETS</i></p>	<p>Shall be defined as savings, checking, money market or stock accounts that are non-retirement, life insurance, non-loan or gift related.</p>
<p><i>LOAN</i></p>	<p>Financing provided to an Eligible Borrower for the rehabilitation of an Eligible Dwelling.</p>

<i>LOW-INCOME</i>	A household with income up to eighty percent (80%) of the Area Median Incomes (AMI), as defined under HOME and by California State Law.
<i>MAXIMUM HOME VALUE LIMIT</i>	The maximum home value cannot exceed HOME Value Limits.
<i>MAXIMUM SUBSIDY LIMITS</i>	The maximum subsidy amount cannot exceed the HOME Investment Partnership Program 221(d) (3) Maximum Per Unit Subsidy Limits; see Exhibit "G."
<i>MODERATE-INCOME</i>	A household with income up to one hundred and twenty percent (120%) of the Area Median Incomes (AMI), as defined under HOME and by California State Law.
<i>OWNERSHIP</i>	Any of the following interests in residential property: fee simple interest; joint tenancy; tenancy in common; interest of a tenant-shareholder in a cooperative; life estate; interest held in trust for the Applicant that would constitute a present ownership interest if held by the Applicant.
<i>PRIMARY RESIDENCE</i>	The property occupied by the applicant(s).
<i>PROPERTY STANDARDS</i>	The minimum performance standards a property must meet for program eligibility. Standards are established in 24 CFR Part 882 (Housing Quality Standards). In addition, any incipient building code violations must be corrected prior to sale or occupancy.
<i>SINGLE-FAMILY RESIDENCE</i>	A housing unit intended and used for occupancy of a household.
<i>SHORT SALES</i>	A home that is listed for sale at a price lower than the balance of debts secured by liens against the property.
<i>UNDERWATER</i>	Total debt of the property exceeds the house value.

LOAN SUBORDINATIONS REQUIREMENTS

(ALL PROGRAMS)

The City of Oxnard's Affordable Housing & Rehabilitation Division will subordinate program loans under the following conditions: The City will consider subordination if the refinance is for the sole purpose of lowering the interest rate on the primary mortgage and obtaining more favorable terms for that loan, with the goal of improving the households financial situation and thereby strengthening borrower's economic position and reducing the possibility of default on any loans, including the City's loan to borrower, taking into consideration the following items:

- a. No cash out is authorized, unless stated in the agreement.
 - b. Paying off a 2nd mortgage is sometimes considered a "rate-and-term" refinance rather than a cash-out if it meets the following requirements:
 - i. The new loan will be conventional/conforming loan issued by a Fannie Mae- or Freddie Mac-approved lender
 - ii. The 2nd loan was used to purchase the property originally
 - iii. The entire loan balance was used for the purchase
 - iv. No additional draws have been made against the 2nd mortgage, if applicable
 - c. The City will not subordinate the City's loan for a reverse mortgage because that is a form of "cash out to the homeowner.
 - d. At City's discretion the Borrower must have sufficient equity in the property, and the property is not "underwater".
 - e. The Borrower has no other defaults.
 - f. The Borrower is not a "Bad Actor" with a history of having violated the existing agreement with the City.
 - g. All other conditions of the loan agreement between Borrower and City remain in full force and effect, except as otherwise specifically set forth in writing.
- NON-RESALE RESTRICTED UNITS
 - Property value is determined by appraisal report ordered by lender.
 - No cash out allowed.
 - New loan must be fully amortized loan with a fixed interest rate.
 - Combined Loan to Value (LTV) ratio must not exceed 90%. Under extraordinary circumstances, the City may consider allowing refinancing for the sole purpose of lowering the interest rate, as set forth above, with a combine LTV of up to 100%.
 - RESALE RESTRICTED UNITS
 - Property value is determined by Current Price Index (CPI) Method.
 - No cash out allowed unless stated in Resale Restriction Agreement.
 - Fully amortized loan with a fixed interest rate.

- Combined Loan to Value (LTV) ratio must not exceed 90%. Under extraordinary circumstances, the City may consider allowing refinancing for the sole purpose of lowering the interest rate, as set forth above, with a combine LTV of up to 100%.
- RESALE RESTRICTED UNITS IN REDEVELOPMENT AREAS
 - Property value of redevelopment restricted units is determined by the Housing Cost Method
 - Refinancing is permitted if the new loan meets the following:
 - a) New loan amount must not exceed the original principal amount of the loan secured by the first trust deed or mortgage being refinanced (plus reasonable loan fees and costs).
 - b) The new loan must be fully amortized with a fixed interest rate.
 - c) No cash out unless stated in the Resale Restriction Agreement.
- REHABILITATED UNITS
 - Refinancing will only be allowed if it's to lower rate, term, or monthly payment.
 - Property value is determined by either an estimated value or an appraisal report.
 - No cash out allowed.
 - New loan must be fully amortized loan with a fixed interest rate.
 - Combined Loan to Value (LTV) ratio must not exceed 90%. Under extraordinary circumstances, the City may consider allowing refinancing for the sole purpose of lowering the interest rate, as set forth above, with a combine LTV of up to 100%.

SUBORDINATION PROCESS

1) A request for subordination to the Affordable Housing & Rehab Division must be made in writing.

The requesting agency must submit 1) Appraisal Report (Non-Restricted Units) 2) Estimated Closing Statement 3) completed Subordination Questionnaire and 4) Preliminary Report 5) \$250 processing fee. (fee not applicable to loans funded by HOME).

2) Once the above documents are received by staff the following items are reviewed to verify the new loan meets the City's requirements:

- a. Property value
- b. New loan amount
- c. Interest rate
- d. Purpose of loan

3) If the information received meets City's requirements, subordination request is approved by the Program Manager or Housing Director and approval letter is issued to requesting agency.

4) City will prepare the subordination agreement and submit for signatures.

Payoff Demand Process

- 1) A request for payoff to the Affordable Housing & Rehabilitation Division must be made in writing, and requires a \$100 processing fee (fee not applicable to loans funded by HOME).
- 2) City will review file and issue a demand to requesting agency.
- 3) Once City receives payoff amount, City shall reconvey the loan and send the necessary documents to the requesting agency.

Appendix "D"

INCOME CALCULATION WORKSHEET

1. Name: <u>DOE, JOHN AND JANE</u>		2. Program: <u>HOMEBUYER PROGRAM</u>			
ASSETS					
Family Member	Assets Description	Current Cash Value of Assets		Actual Income from Assets	
JOHN/JANE	CHECKING	\$7,247.00		\$0	
JOHN/JANE	SAVINGS	\$4,765.00		\$2.36	
JOHN/JANE	RETIREMENT/SAVINGS	\$6,037.00		\$25.64	
3. Net Cash Value of Assets.....		\$18,049.00			
4. Total Actual Income from Assets.....				4.	\$28.00
5. If line 3 is greater than \$5,000, multiply line by <u>.06%</u> (Passbook Rate) and enter the results here; otherwise, leave blank.				5.	\$361.00
ANTICIPATED ANNUAL INCOME					
Family Member	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
John	\$43,160				Enter the greater of lines 4 or 5 from above in e.
Jane	\$13,260				
Johnnie Jr					
6. Totals	a.\$56,420	b.	c.	d.	e.\$361.00
Enter total of items from 6a. through 6.e					\$56,781
This is Annual Gross Income.					

Reviewed by: _____ Date: _____

\$ 65,250 Income Limit

\$ 56,781 Income of Household

Approved by: _____ Date: _____

FY 2022 Income Limits Documentation System (Effective June 15, 2022)

FY 2022 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
<u>Extremely Low Income Limits</u>	26,350	30,100	33,850	37,600	40,650	43,650	46,650
<u>Very Low (50%) Income Limits</u>	43,900	50,200	56,450	62,700	67,750	72,750	77,750
<u>Low (80%) Income Limits</u>	70,250	80,300	90,350	100,350	108,400	116,450	124,450

The Department of Housing and Urban Development (HUD) annually establishes the income limits for assisted housing programs based on metropolitan areas (Oxnard-Thousand Oaks-Ventura, CA

MSA). See <https://www.huduser.gov/portal/datasets/il.html>

Appendix "E"

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT
FOR VENTURA COUNTY/OXNARD-THOUSAND OAKS-VENTURA, CA MSA**

As per HOME regulations at 24 CFR 92.254(a)(2)(iii)

(HOME Value Limits as of 06/01/2022)

Existing Homes HOME/HTF Purchase Price Limit							
1-Unit	2-unit	3-unit	4-unit	Unadjusted Median Value	Years Worth of Sales Data*	Number of Sales for Unadjusted Median**	Geographic Area Used
\$615,000	\$787,000	\$953,000	\$1,181,000	\$647,500	1	3,383	County

New Homes HOME/HTF Purchase Price Limit							
1-Unit	2-unit	3-unit	4-unit	Unadjusted Median Value	Years Worth of Sales Data*	Number of Sales for Unadjusted Median**	Geographic Area Used
\$615,000	\$787,000	\$953,000	\$1,181,000	\$548,365	1	3,383	County

CDBG LIMITS = 120% of the HOME Value		
Existing Home		\$738,000
New Home		\$738,000

Maximum Purchase Price/After-Rehab Value Limits change annually as per United States Department of Housing and Urban Development (HUD).

(Source: <https://www.hudexchange.info/>)

MAXIMUM HOME PER UNIT SUBSIDY LIMITS
HOME Investment Partnership Program
(HOME Maximum per unit Subsidies Limits Effective 9/9/21)

Bedrooms	HOME Maximum Subsidy
0	\$153,314
1	\$175,752
2	\$213,718
3	\$276,482
4+	\$303,490

Maximum Home Per Unit Subsidy Limits change annually as per United States Department of Housing and Urban Development (HUD). **

**The maximum per unit subsidy limits are based on the per-unit dollar statutory limit for elevator-type projects as established under Section 234 of the National Housing Act. The HUD CPD Division annually adjusts the limits by a High Cost Percentage (HCP). The maximum per unit subsidy limits under the HOME program are limited to the *lesser* of the Section 221(d)(3) mortgage limits as adjusted by the applicable HCP or 240% of the basic Section 221(3) mortgage limits for each jurisdiction. The maximum amount of HOME funds that may be invested on a per unit basis in a specific county *may not exceed* the maximum per unit subsidy limit established for the respective jurisdiction (24 CFR 92.250).

Source: <https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

**POLICY FOR RECAPTURE OF LOANS AVAILABLE
TO INCOME-QUALIFIED HOUSEHOLDS**

This is a method used to recapture all or a portion of the direct HOME subsidy if the HOME recipient decides to sell the house ***within the affordability period (i.e., the term of the loan as determined by the amount of HOME subsidy)*** at whatever price the market will bear.¹

The phrase ‘direct HOME Subsidy’ is the amount of HOME subsidy loaned to the homebuyer directly to lower the fair market sales price to an affordable sales price, but not any HOME subsidy given to a developer needed in order to build the housing unit.

Recapture Provisions

- “In the event that the homebuyer *fails to satisfy the requirements during the term of the loan, or otherwise defaults*, the City shall exercise its legal rights, as set forth in the promissory note and deed of trust, in order to recover the monetary assistance previously provided to the homebuyer to the maximum extent permitted by law.”
- “If the recapture provisions are triggered by a sale of the housing unit, (whether voluntary or involuntary – such as foreclosure) or other default, the City shall take all necessary steps to recover the full amount of HOME funds from the net proceeds. The phrase ‘net proceeds’ is defined as the sales price, minus the loan repayment of the first trust deed (other than HOME funds) and any closing costs.”
- The HOME Program regulations allow the City to recapture the entire HOME Subsidy, in the event the loan recipient (now homeowner) violates the affordability period requirements. However, should the ‘net proceeds’ not cover the entire HOME Subsidy or not cover any of the HOME Subsidy, the City is required to forgive the remaining balance of the *direct* HOME Subsidy.
- If the homeowner does not occupy the residence as a primary residence, the loan is due and payable immediately upon discovery and investigation verifies that the property is not the primary residence of the loan recipient.

These policies refer only to HOME loans listed herein and made directly to the homebuyer/ homeowner, but not to Community Housing Development Organization HOME subsidies used.

Building HOME: A HOME Program Primer (Community Planning and Development Training, 2010)

Affordable Restricted Units

There are approximately 721 Low and Moderate Income Inclusionary Restricted units throughout the City of Oxnard. Upon sale of these units, the Affordable Housing & Rehabilitation Division calculates the resale value using the formula stated in the Resale Restriction Agreement pertaining to each unit.

Applications are **NOT** turned in to the City until an offer is submitted and accepted. Once that is done, the buyer with the accepted offer shall turn in a completed application, along with the required documents listed on the application, and a fully executed Purchase Agreement. The potential buyers and their realtor should be able to calculate the **“Household Income”** and determine they do meet the income requirements in order to make an offer. The City uses the HUD Part 5 Income Calculation Method; calculates the income by obtaining 3 months check stubs, adding them, dividing them by the number of checks received to obtain an average amount per pay period, then multiply by the number of pay periods received for a year.

Seller’s Requirements:

- ❖ The property cannot be listed for more than the property value obtained from the City.
- ❖ Cannot request for the buyer to pay for the seller’s closing costs. Closing costs shall be allocated between the buyer and the seller according to the customary practices in Ventura County.*

Buyer’s Requirements:

- ❖ Household (not just buyer) be under the income limits (below)
 - Low Income Restricted Units can only be purchased by a low income household and can be eligible to receive downpayment assistance, if available, and if they meet the Oxnard residency and first-time buyer requirement. (Please refer to the Homebuyer Downpayment Assistance Program for more information)
 - Moderate Income Restricted Units can be purchased by a low or moderate income household and can be eligible to receive downpayment assistance, if available, and if they meet the Oxnard residency and first-time buyer requirement. (Please refer to the Homebuyer Downpayment Assistance Program for more information)
- ❖ Debt Ratios of 38%/45%
- ❖ Assume the restrictions on the property
- ❖ Don’t need to live in Oxnard, if not receiving any downpayment assistance

Property Restrictions:

- ❖ Must be owner-occupied for the remaining of the term (term starts from the recording date of the Resale Restriction Agreement)
- ❖ If refinancing:
 - A straight refi to lower rate and term will be approved
 - No cash out allowed; unless it’s for home repairs but must follow the following:
 - Provide copy of contractor’s bid
 - Funds need must be managed by an escrow account
 - Provide copies of payments to contractor(s)
 - Provide a recorded Notice of Completion
- ❖ If reselling the property:
 - Must sell at an affordable price calculated by the City of Oxnard Affordable Housing & Rehabilitation Division using the Housing Cost Methodology
 - Must sell to an eligible income buyer (based on household income)

2022 INCOME GUIDELINES							
Persons in Household	1	2	3	4	5	6	7
Low (80%) HUD	\$70,250	\$80,300	\$90,350	\$100,350	\$108,400	\$116,450	\$124,450
Mod (120%) STATE HCD	\$96,950	\$110,800	\$124,650	\$138,500	\$149,600	\$160,650	\$171,750

*Administrative decision made on 9/14/21 by the Affordable Housing & Rehabilitation Division Team and the Housing Director. This was based on Section 8.e. of the Resale Restriction Agreement, “Closing costs shall be allocated between the buyer and the seller according to the customary practices in Ventura County in effect at the time the escrow is opened.”