City of Oxnard

Program Guidelines

For:

The Neighborhood Stabilization Program (NSP)
Homebuyer Empowerment Loan Program (HELP)

Serving zip codes
93030, 93033, 93035, 93036
in Oxnard, California

NSP HOMEBUYER EMPOWERMENT LOAN PROGRAM GUIDELINES

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CITY OF OXNARD

NSP HOMEBUYER ASSISTANCE LOAN PROGRAM GUIDELINES

1.0. GENERAL

The Neighborhood Stabilization Program (NSP) was authorized by Congress under the Housing and Economic Recovery Act of 2008 (HERA) to provide $ 3.92 billion to States and localities for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. The U.S. Department of Housing and Urban Development (HUD) allocated the funds under a formula using criteria specified by HERA.

The City of Oxnard was awarded $2,015,277 through a sub-recipient allocation from the California Department of Housing and Community Development (HCD), which have been used to purchase and rehabilitate foreclosed properties in various locations throughout the City of Oxnard (specifically zip codes 93030, 93033, 93035 and 93036).

The City of Oxnard, hereinafter known as "the City," has entered into a contractual relationship with the California Department of Housing and Community Development ("HCD") to administer the NSP. The NSP Homebuyer Empowerment Loan Program described herein (the "Program") is designed to provide assistance to eligible homebuyers in purchasing homes owned by The City of Oxnard and purchased in compliance with the NSP, also referred to herein as ("housing units"), located within the Program's eligible area, as described in Section 3.1.A. The Program provides this assistance as part of the "Gap" financing (the difference between the purchase price of the home and the maximum loan amount obtained by the homebuyer) in the form of deferred payment "silent" second priority loans toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by the City.

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. The City will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.

C. 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.

1.2. APPLICATION PROCESS AND SELECTION

A. The City will compile a list of interested applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. A complete application must be submitted by the close of the application period (application period will be publicized in advance). Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.

B. After the close of the application acceptance period, applications will be reviewed based on date/time stamp. The applications are reviewed and eligibility is determined. Upon confirmation of eligibility, the potential homebuyer is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Attachment (F) Instructions to Homebuyer, Instructions on Selection Lottery and other forms and instructions. Applicants who do not qualify will be sent a denial letter, along with the Program's appeal procedure.

C. Eligible applicants will receive a Program Loan Packet.

D. Each applicant must participate in Homebuyer Counseling and receive a certificate of completion.

E. Upon Program approval, each applicant will participate in the Selection Lottery.

F. Each applicant will identify an available housing unit and submit an offer, as determined by the Selection Lottery.

G. Upon acceptance of the offer by the City, the potential homebuyer is given 15 days to begin the process of securing a primary loan for an available housing unit. If at the end of the 15-day time frame, the potential homebuyer is unable

to begin the process of securing a primary loan, a 15-day extension may be requested by potential homebuyer and granted, at the discretion of the Loan

Review Committee. If at the end of the extension period, the potential homebuyer cannot secure a primary loan, the reservation of funds expires and the next application on the interested applicant list is given an opportunity to participate in the Program (as defined in Section 1.2.B).

1.3. THE HOME PURCHASE PROCESS

A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

DEBT SERVICE
FOR A FAMILY OF FOUR EARNING $3,388 PER MONTH

HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	$ 828	$1,078	Housing
Insurance	50	+345	Other Debt Service
Taxes	200	$1,423	Total Debt Service
Total Housing Expense	$1,078	(Overall debt service per month is 42% of $3,388)	
(PITI is 32% of $3,388)			

OTHER HOUSEHOLD DEBT SERVICE

Car Payment	$ 250
Credit Card Payment	95
Total Other Debt	$ 345

A $828 per month loan payment equates to borrowing $154,000 at 5.00% for a 30 year term.

SUBSIDY CALCULATION
FOR A FAMILY OF FOUR EARNING $3,388 PER MONTH

Purchase Price of Property	$ 240,000
Less Primary loan amount	**154,000**
Less minimum down payment of $5,000	5,000
Equals **"GAP"**	**$ 81,000**
Plus estimated closing costs	7,200
Equals **Total Subsidy**	**$ 88,200**

B. Prior to making an offer to purchase an available housing unit (see Section 3.0), homebuyer must provide the City with a signed statement of understanding containing the following provisions:

1) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser; and

2) The housing unit will be subject to inspection to ensure that it complies with local codes at the time of construction and local health and safety standards;

3) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and the City (Attachment E);

4) Since the purchase would be voluntary, the homebuyer would not be eligible for
relocation payments or other relocation assistance;

5) Homebuyer's must provide a Certificate of completion from a HUD-certified city of Oxnard approved Homebuyer Education Class.

6) No additional City assistance, including rehabilitation funds, may be provided during the period starting at the close of escrow and ending with the tenth (10th) anniversary of the close of escrow.

C. The applicant will also submit the standard form purchase and sale agreement (the "offer"). The City verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.

D. The City determines Applicant's approval or denial. The City provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.

E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.

F. At the time of escrow closing, the City shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the City as insured is also required.

1.4. HOMEBUYER COSTS

A. Potential homebuyers must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the City. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, the applicant must meet the requirements of the Primary lender.

B. Homebuyer must contribute a minimum down payment of five thousand dollars ($5,000), but may contribute more if desired. The down payment funds must be funds that are provided solely by the homebuyer and cannot include any funds available from the Program or Program Loan. Gift funds may be used to meet this requirement. Gift funds may come from immediate family (parent, sibling and/ or grandparent), domestic partner, church, employer or non-profit agency, with documentation and no expectation of repayment. Minimum down payment or gift funds cannot be obtained from any loan source.

C. The City will provide up to sixty thousand dollars ($60,000) of the purchase price plus closing costs not to exceed 3% of the purchase price (subject to 6.0.A.). The subsidy will assist to close the "gap" between the primary lender's loan, the purchase price and any subordinate financing available. The City will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the Program.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the City, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend an in-person HUD Certified City of Oxnard-approved homebuyer education class, by a Provider located within Ventura County. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc. Certificates of successful completion are required to be provided within fifteen (15) days after Program approval notification. A certificate of successful completion must be issued within the last twelve (12) months from the above date.

1.6. SELECTION LOTTERY

Eligible applicants will be invited to participate in the Selection Lottery to determine the order in which the available housing units will be chosen. Additional information can be found in the Selection Lottery Informational document provided to eligible homebuyers upon determination of eligibility.

1.7. CONFLICT OF INTEREST REQUIREMENTS

The City's Program contains Federal funds, therefore the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance, and Section 92.356 of the HOME Final Rule shall be followed for HOME assistance.

1.8. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the City's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with Federal and/or State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the Program and have their household income documented. The income limits in place at the time of application and/or loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 120% of the County's area median income (AMI), adjusted for household size, as published annually by HCD. (Attachment C).

Household: Means one or more persons who will occupy a housing unit. Unborn children don't count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

Residency Status: All members of the household must be citizens or other national of the United States or a qualified alien as defined by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. Seq. The residency status of a qualified alien must be continuous in nature required under 24 CFR 992.254 and CH&SC Section 33413 (b)(2)(C), as may be amended from time to time.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at http://www.hcd.ca.gov/fa/cdbg/GuideFedPrograms.html, will be followed to independently determine and certify the household's annual gross income. The City should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used; and the types of income that are not considered would be income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:
http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB_AnnualIncome InclusionsExclusions.doc
See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC_AnnualIncome AssetInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

C. NON-PURCHASING SPOUSE:

A non-purchasing spouse must submit a separate application. The income and assets of the non-purchasing spouse will be considered (as described in Sections 2.2A & B) in qualifying the household for the Program. First-time homebuyer status must be met, in addition to all other applicant eligibility requirements.

D. COSIGNERS/COMORTGAGORS/COBORROWERS:

No cosigners allowed. All comortgagors and/or coborrowers must meet all of the homebuyer eligibility requirements, including but not limited to, first-time homebuyer status and income requirements.

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

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(l) 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:
>
> 1. 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 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;
>
> 2. 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
>
> 3. 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:
>
> a. Not permanently affixed to a permanent foundation in accordance with local or state regulations; or
>
> b. 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.

Homebuyers will be required to meet one of the following criteria for priority eligibility as set forth in the original NSP application:

Tier 1: Existing City of Oxnard Public Housing Residents that are actively participating in the Family Self-Sufficiency Program (FSS), with the inclusion of existing Public Housing Residents collaborating with Cabrillo Economic Development Corporation (CEDC) whom are actively utilizing a Homeownership Individual Development Account (HIDA) and existing Section 8 Participants that are actively participating in the FSS Program;

Tier 2: All other existing Public Housing Residents and existing Section 8 Participants;

Tier 3: All other existing Residents of the City of Oxnard.

Please note: Applications will be initially accepted for Tier 1 only, for a specified period of time, thereafter, applications will be accepted for Tiers 2 and 3 for a specified period of time.

3.0. HOUSING UNIT ELIGIBILITY

Homes owned by The City of Oxnard and purchased in compliance with the NSP, also referred to herein as ("housing units"), located within the Program's eligible area, as described in Section 3.1.A.

3.1. LOCATION AND CHARACTERISTICS

A. Housing units are located within the eligible area. The eligible area is described as follows: "Within the Oxnard City limits, generally including the area designated as zip codes 93030, 93033, 93035 and 93036."

B. Housing units are previously owned rehabilitated single-family residences.

C. All housing units must be in compliance with State and local codes and ordinances.

D. Homebuyers purchasing housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the City as loss payee in order to close escrow.

3.2. CONDITIONS

A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

1) The City's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C will apply.

2) A City representative and a certified housing inspector (selected by the homebuyer) will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies* that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be presented to the City.

*Note: All Code and Health and Safety deficiencies are sent to the City's Building and Safety Department by the City representative for final determination.

3) After negotiations and upon completion of all work required by the homebuyer, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The City representative and certified housing inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

B. No additional City assistance, including rehabilitation funds, may be provided during the period starting at the close of escrow and ending with the tenth (10th) anniversary of the close of escrow.

C. **Lead-Based Paint Hazards:** All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME and CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

1) **Notification**: a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family From Lead in Your Home*" (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the City's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment G).

2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-

based Paint Disclosure" notice must be provided by the seller to the homebuyer.

3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.

4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the City shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

3.3 ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Housing units available for purchase in the Program have been vacant for at least three (3) months prior to the acceptance of a contract to purchase. Relocation assistance is not provided in the Program.

3.4. PROPER NOTIFICATION AND DISCLOSURES

Upon selection of a housing unit, the homebuyer will be given the necessary disclosures for the Program (refer to Program loan documentation). The homebuyer must have read and signed all Program disclosure forms.

4.0. PURCHASE PRICE LIMITS

The purchase price limits for this Program shall not exceed the Maximum HOME Program Purchase Price/After-Rehab Value Limit for the City's County as updated by HCD or HUD.

Note: For HOME-funded Programs the home purchase price of owner-occupied and homebuyer properties cannot exceed 95 percent of the area median purchase price as established by HUD.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS *the City will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

A. QUALIFYING RATIOS

The front-end ratio shall be between 33% and 37% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of PITI (loan principal + interest payment + property taxes + property insurance).

The back-end ratio shall not exceed 45% and is the percentage of a borrower's gross monthly income that would cover the cost of PITI plus any other monthly debt

payments like car or personal loans and credit card debt, as well as child support and alimony payments.

B. INTEREST RATE

The loan must be fully amortized and have a fixed interest rate for the term of the loan, that does not exceed the current market rate. No temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

A. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed the maximum HOME subsidy limit for Sponsor's County per bedroom as designated by Section 221(d)(3). **See Attachment C.** Please see section 1.3.A for structure of loan and subsidy amounts.

B. NON-RECURRING CLOSING COSTS

Non-recurring closing costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan at a maximum of 3% of the purchase price. Realtor related fees are also eligible to be included in the Program loan at a maximum of 5% (at the City's discretion and upon availability of funds).

C. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a homebuyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.0.A. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The City will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

D. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (principal and interest) loan (DPL).

The Program loan's term shall be for twenty (20) years.

The Program loan's interest rate shall be 2% annually.

All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Program loan principal and interest shall be forgiven in accordance with the Truth-In-Lending Disclosure Statement (See Attachment D) and the loan period cannot be extended.

E. COMBINED LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs.

7.0. PROGRAM LOAN PAYMENTS

The Program loan carries no payments during the term of the loan. Payment in full is due and immediately payable upon violation of any of the restrictions set forth in the these guidelines, the Agreement, the Note and/or the Deed.

7.1. RECEIVING LOAN PAYMENTS

A. Program loan payments or requests for demands will be made to:

City of Oxnard (NSP)
435 South D Street
Oxnard, CA 93030

B. The City will be the receiver of recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status.

Recaptured funds shall be deposited and accounted for in the City's Program Income Account, as required by HCD. The City will accept loan payments from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the City. The City may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all Program loan servicing aspects of the Program.

7.2. DUE UPON SALE, TRANSFER OR REFINANCING

In the event that an owner sells, transfers title, refinances or discontinues residence in the purchased property for any reason prior to the twentieth (20th) anniversary of the Program loan, the principal balance of the DPL is due and payable.

A. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.

B. The loan will be in default if the borrower fails to maintain required insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

7.3. LOAN POLICIES AND PROCEDURES (AGREEMENT)

See Attachment D for local loan policies and procedures (Loan Agreement). It should in no way be misunderstood: Upon default or occurrence of any one of the events set forth in Section 1.3 of the Loan Agreement, the loan must be repaid. The City, at its' discretion, retains the right to use all legal means to ensure the repayment of a defaulted loan as outlined in the Loan Agreement.

7.4. LOAN MONITORING PROCEDURES

The City will monitor Borrowers and their housing units to ensure adherence to Program requirements including, but not limited to, the following:

A. Owner-occupancy
B. Good standing on Primary loans
C. Property tax payment
D. All required insurance coverage(s)
E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

Upon determination of Program eligibility, if deemed eligible to participate in the Program, homebuyers or their representatives will be sent out a Program Loan Packet. They should submit a complete packet with all the requested documents as well as all the information from the Primary Lender within the specified time period. Staff will work with the homebuyer's lender to ensure qualified participants receive only the benefit from the City's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

While qualifying ratios are a valuable guideline in determining a potential borrower's creditworthiness, many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the City, which may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's Program loan packet, the City will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the City will do an income certification (using most recent HCD's guidance on income calculation and determination). Affordability will then be verified (in accordance with Program guidelines) and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios for Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contact will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding.

Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

Any person making a material misstatement or misrepresentation in any affidavit, certification or documentation made in connection with the application for the Program loan shall be subject to all applicable fines and penalties.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Prior to Program loan approval, the City will request 1) accepted property sales contract 2) mortgage application with good faith estimates and first mortgage disclosures from the Primary Lender. Upon review and approval, a final closing date for escrow is set.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) signs all required loan documents, including but not limited to, Promissory Notes, Loan Agreements, Deeds of Trust, Notice of Restrictions,

Disclosure Statement and Statutory Lending Notices (Truth In Lending (TIL), etc.); the Deeds of Trust and Notice of Restrictions are recorded with the County Clerk/Recorder at the same time, and the Request for Notice of Default and Sale is also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instructions provided by the Primary Lender and/or the City shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA

policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Primary Lender and/or the City instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA). The City reserves the right to provide additional escrow instructions. A City representative may be present at the signing of escrow documents by the homebuyer(s).

9.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover costs that exceed the primary loan amount in order to make it possible for the homebuyer to purchase the property, but may never exceed the purchase price. All subordinate financing must be disclosed at time of application to be included in the underwriting process. Subordinate financing will be assessed prior to the Program loan. Any non-disclosed subordinate financing that is used to reduce the Primary Loan, will reduce the amount of the Program loan dollar-for-dollar at any time during the term of the Program loan (exceptions are reviewed on a case by case basis, at the discretion of the Loan Review Committee). All subordinate loans must have the payments deferred and the term must be for at least five (5) years.

9.1. CITY FEES

No City or Lender fees will be charged for the origination of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The City may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the City's Loan Review Committee. Changes shall be effective upon approval by HCD.

10.1. DEFINITION OF EXCEPTION AND PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

A. Any case to which a standard policy or procedure, as stated in the guidelines, is waived or an applicant is treated differently from others of the same class would be an exception.

B. The City's Loan Review Committee may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the City's Loan Review Committee's recommended course of action and any information supplied by the applicant.

C. The Loan Review Committee shall make a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. The Applicant must submit their appeal in writing and file it with the City's Loan Review Committee within ten (10) working days from receipt of the denial letter. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with HCD within thirty (30) days after receipt of the Loan Review Committee's decision on appeal.

City of Oxnard reserves the right to change or alter these guidelines without notice.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care	Payments received for the care of foster children or foster adults (usually persons with disabilities,

Payments	unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set side for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving s a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of $480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion: ▸ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▸ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▸ Payments received under the Alaskan Native Claims Settlement Act; ▸ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▸ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; ▸ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.

	▸ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▸ The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ▸ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ▸ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); ▸ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ▸ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments; ▸ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; ▸ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps). ▸ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation; ▸ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990; ▸ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran; ▸ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and ▸ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR VENTURA COUNTY
(HOME Value Limits as of 1/11/2011)

COUNTY NAME	One-Family
VENTURA	$427,500

HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d)(3) FOR VENTURA COUNTY
(Limit is effective as of 01/11/10)

COUNTY NAME	O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
VENTURA	$125,928	$144,355	$175,536	$227,086	$249,271

FAMILY INCOME LIMITS FOR VENTURA COUNTY*
(Limits are effective as of 06/26/10)

	Number of Persons in Household							
	1	2	3	4	5	6	7	8
50% of AMI	$30,350	$34,700	$39,050	$43,350	$46,850	$50,300	$53,800	$57,250
80% of AMI	$48,300	$55,200	$62,100	$68,950	$74,500	$80,000	$85,500	$91,050
120% of AMI	$72,850	$83,250	$93,650	$104,050	$112,350	$120,700	$129,000	$137,350

*The City of Oxnard will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is: **http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html**

ATTACHMENT D

LOAN DOCUMENTS

(LOAN AGREEMENT)
FOR THE CITY OF OXNARD
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
HOMEBUYER EMPOWERMENT LOAN PROGRAM (HELP)

THIS LOAN AGREEMENT (the "Agreement") is made as of _____, 2011 by and between _____("Borrower") and the **CITY OF OXNARD** ("CITY").

RECITALS

WHEREAS, CITY has created a Neighborhood Stabilization Program(NSP) Homebuyer Empowerment Loan Program ("Program"), under which Program the CITY desires to specifically help very low-, low- or moderate-income families, to acquire a home as their principal residence at a Purchase Price of $_____, by providing certain financial assistance; and,

WHEREAS, Borrower has entered into an agreement (the "Purchase Agreement") to purchase improved residential property located at _____, Oxnard, California as more particularly described in Exhibit "A" attached hereto and incorporated herein (the Property"); and,

WHEREAS, Borrower is a very low-, low- or moderate-income family and requires financial assistance to purchase the Property and would not be able to purchase the Property without such assistance, and further, Borrower has represented to the CITY that Borrower intends to reside in the property as his/her principal residence at all times throughout the term of this Agreement; and,

WHEREAS, the CITY wishes to lend and Borrower wishes to borrow funds under the Program, in the amount of up to Sixty Thousand Dollars ($60,000.00), in the form of a deferred payment mortgage loan, secured by a second lien deed of trust (the "CITY Loan"), to assist Borrower to purchase the Property, subject to the terms and conditions set forth herein. For purposes of this agreement a very low-income household or family is a household or family with income not greater than 50% of the Ventura County Metropolitan Statistical Area Median Income, adjusted for family size appropriate for the unit in question as set forth in Section 6932 of Title 25 of the California Code of Regulations ("AMI"); a low-income household or family is a household or family with income not greater than 80% of the AMI; adjusted for family size appropriate for the unit in question as set forth in Section 6932 of Title 25 of the California Code of Regulations; a moderate-income household or family is a household or family with income not greater than 120% of the AMI, adjusted for family size appropriate for the unit in question as set forth in Section 6932 of Title 25 of the California Code of Regulations; and,

WHEREAS, pursuant to the Purchase Agreement, the Purchase Price for the Property shall be _____ DOLLARS ($_____), to be paid by Borrower by a combination of funds, including the CITY Loan, a First Mortgage Loan to be made by a conventional lender, in the principal amount of _____DOLLARS ($_____), the Borrower's Down payment in the amount of _____ DOLLARS ($_____) and the Subordinate Financing in the amount of _____ DOLLARS ($_____).

AGREEMENT

OW, THEREFORE, for good and valuable consideration, the parties agree as follows:

Definitions: Unless otherwise defined, the following terms shall be defined in this Agreement as follows:

"CITY Deed of Trust" means the deed of trust securing the CITY Loan in the form attached to this Agreement as Exhibit "C";

"CITY Loan" means the loan to be made by the CITY to the Borrower in the principal amount of $_____ in accordance with the Agreement;

"Escrow Agent" means (Company Name, Agent's Name and Address_____;

"First Mortgage Loan" means the loan to the Borrower from a conventional lender in the amount of $ _____.

"Net Sale Proceeds" means an amount equal to (i) the total Resale Price or other consideration paid for the Sale, including the fair market value of any non-cash consideration and the amount of existing financing, if any, assumed by the transferee; less (ii) the original Purchase Price; and less (iii) all costs and fees relating to the original purchase by Borrower (such as escrow fees, transfer taxes, recording fees, brokerage commissions and similar costs) actually paid by Borrower; and less (iv) the cost of all capital improvements made on the Property by Borrower.

Note" or "Promissory Note" means the promissory note in favor of the CITY evidencing the CITY Loan, in the form attached to this Agreement as Exhibit "B";

"Note Amount" means the principal and interest amounts of the CITY Loan;

"Notice of Restrictions" means the document entitled Notice of Restrictions, in the form attached to this Agreement as Exhibit "D";

"Original Seller" means the party from whom the Borrower is purchasing the Property;

"Property" means the real property described in the legal description attached to this Agreement as Exhibit "A";

"Purchase Price" means the Purchase Price paid by the Borrower set forth in the Recital above;

"Resale Price" means the total compensation to be paid to the Borrower upon a Sale of the Property by the Borrower;

"Sale" means any sale, transfer, assignment or conveyance of the Property, any portion thereof or interest therein, including, without limitation, exchange, or other disposition of any interest in the Property, whether voluntary or involuntary.

Disclosure Statement" means the document entitled Disclosure Statement, in the form attached to this Agreement as Exhibit "E";

"Truth In Lending Disclosure Statement" means the document entitled Truth In Lending Disclosure Statement, in the form attached to this Agreement as Exhibit "F";

"Interest" means an annual rate of 2% which the borrower pays on the principal amount of the CITY Loan.

1. **Principal Amount of CITY Loan.**

(a) The CITY agrees to lend to Borrower, and Borrower agrees to borrow from the CITY, the principal amount of _____ and no/100 dollars ($_____. 00), subject to the conditions and restrictions set forth herein and those set forth in the Promissory Note and CITY Deed of Trust. When all conditions to the close of escrow other than the payment of the purchase price have been satisfied, the CITY shall deposit the CITY Loan proceeds into escrow with the Escrow Agent (Escrow No._____). The CITY shall direct the Escrow Agent to apply the proceeds of the CITY Loan on behalf of the Borrower to the purchase price of the Property, and at Borrower's election, to the costs of closing, escrow fees, recording fees, loan points and fees, and/or document fees directly associated with the purchase of the Property. Concurrently with the making of the CITY Loan, Borrower shall execute and deliver to the CITY a promissory note in favor of the CITY, in the Note Amount, substantially in the form of Exhibit "B" attached hereto and incorporated herein by this reference. Borrower shall also execute and deliver to the CITY a second priority deed of trust which shall secure the Note, in the form attached hereto as Exhibit "C" attached hereto and incorporated herein by this reference, a Notice of Restrictions, in the form attached hereto as Exhibit "D" attached hereto and incorporated herein by this reference, a Disclosure Statement, in the form attached hereto as Exhibit "E" attached hereto and incorporated herein by this reference, and a Truth In Lending Disclosure Statement , in the form attached hereto as Exhibit "F" attached hereto and incorporated herein by this reference.

(b) Borrower shall have no further obligation to pay the principal and interest amounts of the CITY Loan if Borrower continuously owns and occupies the Property for twenty (20) years (as evidenced by the Truth In Lending Disclosure Statement, Attachment "F"). Unless and except to the extent payments are due and payable prior to the end of the twenty (20) years, the CITY Loan shall be forgiven in full on _____, 20___ (the twentieth (20th) anniversary of the CITY Loan).

2. **Interest on CITY Loan.** The CITY Loan shall bear 2% interest annually.

3. **Acceleration.** The CITY Loan, shall become due and immediately payable (in accordance with Attachment "F"), upon the occurrence of any one of the following events prior to the twentieth (20th) anniversary of the CITY Loan:

(a) any Sale of the Property;

(b) any refinancing;

(c) Borrower no longer occupies the property pursuant to Section 5 of this agreement;

(d) any changes or transfers to Title;

(e) fails to maintain required insurance or fails to pay property taxes

(f) an uncured default by Borrower under this Agreement, the Note or the CITY Deed of Trust; or

(g) an uncured default by Borrower on the promissory note evidencing or deed of trust securing the First Mortgage Loan.

4. **Loan Repayment.** If there is a Sale or Refinance of the Property or an uncured default under sub-sections (a), (b), (c), (d), (e), (f) or (g) of Section 3 prior to the twentieth (20th) anniversary of the CITY Loan, Borrower shall repay the CITY in accordance with this Section 4 and the schedule set forth in the Truth in Lending Disclosure Statement. The Borrower's obligation to the CITY shall be extinguished upon the repayment of the CITY Loan as provided herein.

(a) **Repayment Within Twenty Years.** If there is a Sale of the Property or an uncured default under sub-sections (a), (b), (c), (d), (e), (f) or (g) of Section 3 prior to the twentieth anniversary of the CITY Loan, Borrower shall repay the CITY Loan in full accordance with this Section 4 and the schedule set forth in the Truth in Lending Disclosure Statement. The proceeds of Sale or Refinancing shall be distributed in the following order of priority:

(i) Repayment of the First Mortgage Loan;

(ii) Repayment to the CITY of the Note Amount of the CITY Loan;

(iii) Repayment of subordinate financing; and,

(iv) The balance shall be paid to the Borrower.

BORROWER ACKNOWLEDGES AND AGREES THAT UPON THE ACCELERATION OF THE CITY LOAN PRIOR TO THE TWENTIETH (20TH) ANNIVERSARY OF THIS LOAN AGREEMENT, BORROWER SHALL PAY TO THE CITY: THE PRINCIPAL AMOUNT PLUS ANY ACCRUED INTEREST OF THE CITY LOAN AND ANY OTHER MONIES DUE UNDER THE NOTE OR THIS AGREEMENT.

_____

Initials of Borrower

5. **Owner-Occupancy Requirement.**

(a) Borrower shall occupy the Property as his or her or their principal residence, and the Property shall be used as the principal residence of Borrower and Borrower's household and for no other purpose. The maximum occupancy of the Property shall not exceed the maximum occupancy allowed by applicable law.

(b) The CITY shall have the right to monitor whether the Property is owner-occupied by requesting that Borrower provide the CITY, within 15 days of a written request, a written certification under penalty of perjury that the Property is owner-occupied, accompanied by supporting documentation reasonably satisfactory to the CITY. In the event of a breach or threatened breach of this sub-paragraph (b), the CITY, shall be entitled to institute legal

action to enforce performance of this paragraph (b) and to obtain an injunction prohibiting anyone but borrower from occupying the Property and/or requiring Borrower to sell the Property to a person who will occupy the Property as his or her or their principal residence.

(c) These owner occupancy restrictions shall be set forth in the Notice of Restrictions to be recorded against the Property.

6. **Maintenance of Property.** Borrower shall maintain the interior and exterior of the improvements and the landscaping on the Property in a manner consistent with community standards which will uphold the value of the Property, in accordance with this Agreement and the City of Oxnard City Code.

(a) **Exterior Maintenance.** All exterior, painted surfaces of any structures located on the Property shall be maintained at all times in a clean and presentable manner. Any such defacing marks shall be cleaned or removed within a reasonable time.

(b) **Front and Side Exteriors.** Borrower shall, at all times, maintain the front exterior and any visible side exteriors and yards, if any, in a clean, safe and presentable manner.

(c) **Graffiti Removal.** All graffiti, and defacement of any type, including marks, words and pictures, must be removed from the Property and any necessary painting or repair completed within a reasonable time, but in no event more than one (1) week after notice to Borrower from CITY.

(d) **Landscaping.** All landscaping surrounding the Property shall be maintained in a manner consistent with standards of the City of Oxnard City Code and any rules, regulations and standards adopted pursuant thereto. In addition, for example, the yard areas shall not contain the following: (i) lawns with grasses in excess of nine (9) inches in height; (ii) trees, shrubbery, lawns or other plant life which are dying from a lack of water or other necessary maintenance; (iii) trees and shrubbery grown uncontrolled without proper pruning; (iv) vegetation so overgrown as to be likely to harbor rats or vermin; (v) inoperative irrigation systems.

(e) **Maintenance by Borrower.** Borrower shall, at his, her or their sole cost and expense, maintain and repair the Property and the improvements thereon, keeping the same in good condition and making all repairs as may be required by this Agreement and applicable City rules and regulations.

(f) **Damage and Destruction Affecting Property – Duty to Rebuild.** If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Borrower to rebuild, repair or reconstruct the Property in a timely manner to restore it to comply with any applicable City rules or regulations.

(g) **Variance in Exterior Appearance and Design.** If the Property is damaged or destroyed by casualty, Borrower may not, without the prior written consent of the CITY, reconstruct, rebuild or repair the Property in a manner which will provide a different exterior appearance and lot design from that which existed prior to the date of casualty.

(g) **Time Limitation.** In the event of damage or destruction due to casualty, borrower shall be

obligated to proceed with all due diligence to commence reconstruction within two (2) months after the damage occurs and to complete reconstruction within a reasonable time after damage occurs, unless prevented by cases beyond the reasonable control of Borrower.

(i) **Pre-Sale Inspection.** Not later than thirty (30) days prior to a Sale of the Property, Borrower shall give notice of the impending sale to the CITY in accordance with Section 19 below and shall permit the CITY to inspect the Property prior to the Sale upon reasonable prior notice from the CITY. Following such inspection, if the CITY determines that the Property is not in compliance with this Section 6, the CITY shall deliver to the Borrower a list of repairs that are required to be made to the Property to comply with this Section 6. At his, her or their sole cost and expense, Borrower shall complete such repairs, or provide for such repairs to be completed, to the reasonable satisfaction of the CITY prior to the Sale. With the consent of the CITY, Borrower may provide for such repairs to be paid out of the portion of net Sale proceeds to be paid to Borrower.

7. **Indemnification.** Borrower shall indemnify, defend and hold harmless the CITY, And its City Council Members, agents, employees, counsels, representatives and volunteers, from and against any loss, liability, claim or judgment relating in any manner to the Property or this Agreement. Borrower shall remain fully obligated for the payment of taxes, liens and assessments relating to the Property. There shall be no reduction in taxes for Borrower, nor any transfer of responsibility to the CITY to make such payments, by virtue of the CITY Loan.

8. **Insurance and Property Taxes.** Borrower shall maintain, during the term of the CITY Loan, an all-risk property insurance policy insuring the Property in an amount equal to the full replacement value of the structures on the Property. The policy shall name the CITY as loss payee and shall contain a statement of obligation on behalf of the insurance carrier to notify the CITY of any material change, cancellation or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to the CITY within thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to the CITY within thirty (30) days of the effective date of this Agreement. And Borrower shall annually deliver a copy of the certificate of insurance and loss payee endorsement to the CITY, signed by an authorized agent of the insurance carrier and setting forth the general provision of coverage. The copy of the certificate of insurance and loss payee endorsement shall be delivered to the CITY as follows:

The City of Oxnard (NSP)
435 South D Street
Oxnard, California 93030
Attention: Housing Director

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City of Oxnard as additional insured will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. All households will be required to have

impound accounts for the payment of taxes and insurance to ensure they remain current. These impound accounts will be set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

Any certificate of insurance required hereby must be in a form, content and with an insurance company that is acceptable to the CITY in its sole discretion.

9. **Defaults.** Failure or delay by either party to perform any term or provision of this Agreement which is to be performed by such party constitutes a default under this Agreement. The other party (the "Complaining Party") shall give written notice of default to the party in default, specifying in reasonable detail the matter constituting the default. The party in default shall have thirty (30) days following receipt of notice to cure the default. Except as required to protect against further damages, the Complaining Party shall not institute proceedings against the party in default unless the matter is not cured within such thirty (30) day period or if the default is of such a nature that it is impossible to cure within thirty (30) days, the party in default commences to cure the matter within the thirty (30) day period and diligently pursues such cure to completion within a reasonable time, but in no event more than ninety (90) days after notice of default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Failure to cure the default within the applicable cure period shall entitle the Complaining Party to terminate this Agreement and/or exercise any remedies available to such party, including, without limitation, foreclosure on the CITY Deed of Trust.

10. **Non-Waiver.** Failure to exercise any right the CITY may have or be entitled to, in the event of default hereunder, shall not constitute a waiver of such right or any other right in the event of subsequent default.

11. **Documents.** Borrower is aware that the CITY has prepared certain documents to implement the Program and secure repayment of the CITY Loan. Borrower has reviewed and agrees to execute the following documents in substantially the form as attached to this Agreement prior to receiving the CITY Loan, and any other documents or instruments reasonably required by CITY or a participating entity to complete the transaction contemplated herein:

a) Promissory Note (Exhibit "B")'

b) CITY Deed of Trust (Exhibit "C");

c) Notice of Restrictions (Exhibit "D")

d) Disclosure Statement (Exhibit "E")

e) Truth in Lending Disclosure Statement (Exhibit "F").

Borrower agrees and acknowledges that the CITY Deed of Trust and the Notice of Restrictions, shall be recorded against the Property with the County Recorder of the County of Ventura and shall appear of record with respect to and as an encumbrance against the Property.

12. **Further Assurances.** The Borrower shall execute any further documents consistent with the terms of this Agreement, including documents in recordable form, as the CITY may from time to time find

necessary or appropriate to effectuate its purposes in entering into this Agreement and making the CITY Loan.

13. **Governing Law.** This Agreement shall be governed by all applicable Federal, State and Local laws.

14. **Severability.** In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict will not affect other provisions of this Agreement which can be given effect without conflicting provisions, and to this end the provisions of the Agreement is declared to be severable.

15. **Amendment of Agreement.** No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made.

16. **Assignment by CITY Permitted.** The CITY may, in its sole and absolute discretion, assign its rights under this Agreement and/or its right to receive repayment of the CITY Loan without obtaining the consent of the Borrower.

17. **Assignment by Borrower Prohibited.** In no event shall Borrower assign or transfer any portion of this Agreement or any rights herein. No assumption of the CITY Loan shall be permitted at any time. This section shall not affect or diminish the CITY's right to assign all or any portion of its rights under this Agreement or to the proceeds of the CITY Loan hereunder.

18. **Relationship of Borrower and CITY.** The relationship of Borrower and CITY pursuant to this Agreement is that of debtor and creditor and shall not be, or construed to be a joint venture, equity venture, partnership or other relationship.

19. **Notices.** Except as otherwise expressly provided in this Agreement, in every case when, under the provisions of this Agreement, request, demand, report or other communication on another party, the same shall be in writing and shall not be effective for any purpose unless served (1) personally, (2) by independent, reputable, overnight commercial courier, or (3) by deposit in the United Sates mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

To Borrower: _____
_____
_____

To City: The City of Oxnard (NSP)
435 South D Street
Oxnard, California 93030
Attention: Housing Director

20. **Attorneys' Fees and Costs.** In the event that any action is instituted to enforce payment or performance under this Agreement, the parties agree that the non-prevailing party shall be responsible for and shall pay all costs and all attorneys' fees incurred by such prevailing party in enforcing this Agreement.

21. **Entire Agreement.** This Agreement, together with all attachments hereto, constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all prior negotiations, discussions and previous agreements between the CITY and the Borrower concerning all or part of the subject matter of this Agreement.

22. **Captions.** The captions and heading in this Agreement are for convenience only and are not to be used to interpret or define the provisions hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

"BORROWER"

Dated:_____ By:_____
Name:_____

Dated:_____ By:_____
Name:_____

"CITY" City of Oxnard

Dated:_____ By:_____
Name:_____

PROPERTY DESCRIPTION (Exhibit A)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 16 of Tract No. 2091-4, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 65, Pages 26 to 29, inclusive of Maps, in the Office of the County Recorder of said county.

Except therefrom all oil, gas, other hydrocarbon substances and minerals I and under said land, but without the right to enter upon the surface thereof or within 500 feet beneath the surface for the purpose of exploring for or extracting such oil, gas, or other hydrocarbon substances and minerals.

APN: 220-0-192-145

PROMISSORY NOTE (Exhibit B)
SECURED BY DEED OF TRUST
TWENTY (20) YEAR TERM
Neighborhood Stabilization Program
(CITY)

$_____ _____,
Oxnard, California

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the City of Oxnard, ("CITY") at 435 South D Street, Oxnard, California 93030, or at such other place as the CITY shall designate, the sum of Sixty thousand and no/100 Dollars ($60,000.00) (the "Note Amount"). All sums hereunder shall be payable in lawful money of the United States of America.

1. Loan Agreement. This Promissory Note ("Note") is made and delivered pursuant to and in implementation of that certain Loan Agreement entered into by and between the CITY and the Borrower dated _____, 2011 (the "Agreement"). Terms used and not specifically defined in this Note have the same meaning described to them in the Agreement. The Borrower acknowledges that but for the execution of this Note, the CITY would not enter into the Agreement or make the loan contemplated therein. Unless otherwise defined in this Note, each capitalized term shall have the meaning ascribed to such term in the Agreement.

2. Interest Rate. The CITY Loan shall bear 2% interest annually.

3. Acceleration. The CITY Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the twentieth (20th) anniversary of the CITY Loan:

   (a) any Sale of the Property;

   (b) any refinancing of the First Mortgage Loan;

   (c) Borrower no longer occupies the property pursuant to Section 5 of this agreement;

   (d) any changes or transfers to Title

   (e) fails to maintain required insurance or fails to pay property taxes

   (f) an uncured default by Borrower under this Agreement, the Note or the CITY Deed of Trust; or

   (g) an uncured default by Borrower on the promissory note evidencing or deed of trust securing the First Mortgage Loan.

4. Loan Repayment. If there is a Sale or Refinance of the Property or an uncured default under sub-sections (a), (b), (c), (d), (e), (f) or (g) of Section 3 prior to the twentieth (20th) anniversary of the CITY Loan, Borrower shall repay the CITY in accordance with this Section 4 and the schedule set forth in the Truth in Lending Disclosure Statement. The Borrower's obligation to the CITY shall be extinguished upon the repayment of the CITY Loan as provided herein.

(a) Repayment Within Twenty Years. If there is a Sale of the Property or an uncured default under sub-sections (a), (b), (c), (d), (e), (f) or (g) of Section 3 prior to the twentieth (20th) anniversary of the CITY Loan, Borrower shall repay the CITY Loan in full accordance with this Section 4 and the schedule set forth in the Truth in Lending Disclosure Statement. The proceeds of Sale or Refinancing shall be distributed in the following order of priority:

(i) Repayment of the First Mortgage Loan;

(ii) Repayment to the CITY of the Note Amount of the CITY Loan;

(iii) Repayment of subordinate financing; and,

(iv) The balance shall be paid to the Borrower.

BORROWER ACKNOWLEDGES AND AGREES THAT UPON THE ACCELERATION OF THE CITY LOAN PRIOR TO THE TWENTIETH (20TH) ANNIVERSARY OF THIS NOTE, BORROWER SHALL PAY TO THE CITY: THE PRINCIPAL AMOUNT OF THE CITY LOAN, AND ANY OTHER MONIES DUE UNDER THIS NOTE OR THE LOAN AGREEMENT.

_____

Initials of Borrower

5. Owner-Occupancy Requirement.

(a) Borrower shall occupy the Property as his or her or their principal residence, and the Property shall be used as the principal residence of Borrower and Borrower's household and for no other purpose. The maximum occupancy of the Property shall not exceed the maximum occupancy allowed by applicable law.

(b) The CITY shall have the right to monitor whether the Property is owner-occupied by requesting that Borrower provide the CITY, within 15 days of the written request by the CITY, a written certification under penalty of perjury that the Property is owner-occupied, accompanied by supporting documentation reasonably satisfactory to the CITY. In the event of a breach or threatened breach of this paragraph (b), the CITY, shall be entitled to institute legal action to enforce performance of this paragraph (b) and to obtain an injunction prohibiting anyone but borrower from occupying the Property and/or requiring Borrower to sell the Property to a person who will occupy the Property as his or her or their principle residence.

(c) These owner occupancy restrictions shall be set forth in the Notice of Restrictions to be recorded against the Property.

6. Prepayment. Prior to the twentieth (20th) Anniversary, Borrower shall have the right at any time to prepay this Note, provided that any prepayment must be in full and not in part. In the event of prepayment prior to the twentieth (20th) Anniversary, the amount payable in full by Borrower shall be the Note Amount and other amounts owing, in accordance with the schedule set forth in the Truth In

Lending Disclosure Statement. On and after the twentieth (20th) Anniversary, Borrower shall have no further obligation to repay the principal amount.

7. CITY May Assign. CITY may, at its option, assign its right to receive payment under this Promissory Note without necessity of obtaining the consent of the Borrower.

8. Borrower Assignment Prohibited. In no event shall Borrower assign or transfer any portion of this Note, the Note Amount and/or the Agreement without the prior express written consent of the CITY, which consent may be given or withheld in the CITY's sole and absolute discretion. This section shall not affect or diminish the CITY's right to assign all or any portion of its rights to the loan proceeds hereunder.

9. Insurance and Property Taxes. Borrower shall maintain, during the term of the CITY Loan, an all-risk property insurance policy insuring the Property in an amount equal to the full replacement value of the structures on the Property. The policy shall name the CITY as loss payee and shall contain a statement of obligation on behalf of the insurance carrier to notify the CITY of any material change, cancellation or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to the CITY within thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to be CITY within thirty (30) days of the effective date of this Agreement. And Borrower shall annually deliver a copy of the certificate of insurance and loss payee endorsement to the CITY, signed by an authorized agent of the insurance carrier and setting forth the general provision of coverage. The copy of the certificate of insurance and loss payee endorsement shall be delivered to the CITY as follows:

   The City of Oxnard (NSP)
   435 South D Street
   Oxnard, California 93030
   Attention: Housing Director

   When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City of Oxnard as additional insured will be required at close of escrow. The lender will verify the insurance on an annual basis.

   Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

10. Joint and Several. The undersigned, if more than one, shall be jointly and severally liable hereunder.

11. Attorney's fees. Borrower agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by CITY, or adjudged by a court: (1) Reasonable costs of collection, costs and expenses, and

attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (2) costs of suit and such sum as the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it.

In addition to the foregoing award of attorneys' fees, CITY shall be entitled to its attorneys' fees incurred in any post judgment proceedings to enforce any judgment in connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

12. Amendments. This Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Note so as to become a permanent part thereof.

13. Severability. The covenants of this Note are severable. Invalidation of any covenant or any part thereof by law, judgment, or court order shall not affect any other covenant.

14. Borrower's Waivers. Borrower waives any right to require the CITY to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"), (c) to obtain an official certification of nonpayment (known as "protest").

15. Notices. Any notice that must be given to Borrower under this Note shall be given by delivering it or mailing it by certified mail addressed to Borrower at the Property Address below. A notice will be delivered or mailed to Borrower at a different address. Any notice that must be given to the CITY under this Note will be given by mailing it certified mail to the CITY at the address set forth in the opening paragraph of this Note above. A notice shall be mailed to the CITY at a different address if the Borrower is given a notice of that different address.

16. Non-waiver. Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment.

17. Successors Bound. This Note shall be binding upon the parties hereto and their respective heirs, successors and assigns.

"Borrower"

By: _____ By: _____

Printed Name: _____ Printed Name: _____

Property Address:

_____

_____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Oxnard (NSP)
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

Request recording without fee. Record for the benefit of the
City of Oxnard pursuant to Section 6103 of the Government Code.

(Space above this line for Recorder's use)

DEED OF TRUST (Exhibit C)
RESTRICTIONS APPLY (See "Notice of Restrictions")

This DEED OF TRUST, made this _____ between _____ herein called TRUSTOR, whose address is _____ and _____ called TRUSTEE, and the **City of Oxnard**, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the County of Ventura, State of California, described as:

See "EXHIBIT A"

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

For the Purpose of Securing: 1. Performance that Loan Agreement dated _____, 2011 between Trustee and CITY and each agreement of Trustor herein contained. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of $60,000.00 executed by Trustor in favor of Beneficiary. 3. Payment of such further sums as the then record owner of said property hereafter may borrow from Beneficiary, when evidenced by another note (or notes) reciting it is so secured.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in _____county on _____, and in all other counties _____, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Madera	911	136	San Luis Obispo	1311	137
Alpine	3	130-31	Marin	1849	122	San Mateo	4778	175
Amador	133	438	Mariposa	90	453	Santa Barbara	2065	881
Butte	1330	513	Mendocino	667	99	Santa Clara	6626	664
Calaveras	185	338	Merced	1660	753	Santa Cruz	1638	607
Colusa	323	391	Modoc	191	93	Shasta	800	633
Contra Costa	4684	1	Mono	69	302	San Diego Series5	1964	149774
Del Norte	101	549	Monterey	357	239	Sierra	38	187
El Dorado	704	635	Napa	704	742	Siskiyou	506	762
Fresno	5052	623	Nevada	363	94	Solano	1287	621
Glenn	469	76	Orange	7182	18	Sonoma	2067	427
Humboldt	801	83	Placer	1028	379	Stanislaus	1970	56
Imperial	1189	701	Plumas	166	1307	Sutter	655	585
Inyo	165	672	Riverside	3778	347	Tehama	457	183
Kern	3756	690	Sacramento	5039	124	Trinity	108	595
Kings	858	713	San Benito	300	405	Tulare	2530	108
Lake	437	110	San Bernardino	6213	768	Tuolumne	177	160
Lassen	192	367	San Francisco	A-804	596	Ventura	2607	237
Los Angeles	T-3878	874	San Joaquin	2855	283	Yolo	769	16
						Yuba	398	693

shall inure to and bind the parties hereto, with respect to the property above described. Said Agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and attached hereto), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein (provided that in the event any said provision is inconsistent with the language in this Deed of Trust, the language of this Deed of Trust shall control), and Beneficiary may charge for a statement regarding the obligation secured hereby; provided the charge therefore does not exceed the maximum allowed by law.

The Trustor acknowledges receipt of a copy of such provisions of such fictitious deed of trust.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the beneficiary being first had and obtained, beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be made to him as his address hereinbefore set forth.

SIGNATURES OF TRUSTOR

_____ _____

BORROWER Date

_____ _____

BORROWER Date

_____ _____

BORROWER Date

PROPERTY DESCRIPTION (Exhibit A)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 16 of Tract No. 2091-4, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 65, Pages 26 to 29, inclusive of Maps, in the Office of the County Recorder of said county.

Except therefrom all oil, gas, other hydrocarbon substances and minerals I and under said land, but without the right to enter upon the surface thereof or within 500 feet beneath the surface for the purpose of exploring for or extracting such oil, gas, or other hydrocarbon substances and minerals.

APN: 220-0-192-145

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Ventura

On _____ before me, _____
Date — Here Insert Name and Title of Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws Of the State of California that the foregoing paragraph is True and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Oxnard (NSP)
435 South D Street
Oxnard, CA 93030
Attn: Housing Director

Request recording without fee. Record for the benefit of the
City of Oxnard pursuant to Section 6103 of the Government Code.

(Space above this line for Recorder's use)

NOTICE OF RESTRICTIONS (Exhibit D)

WHEREAS, THE CITY OF OXNARD, herein called "CITY," is making financial assistance available to assist persons and families of very low, low or moderate income, to obtain housing at affordable housing cost, is making a loan (the "CITY Loan") to _____("Borrower") pursuant to the terms of a certain Loan Agreement of even date herewith (the "Loan Agreement"), for the purpose of assisting Borrower to purchase a single family home located as described on the attached Exhibit "A" incorporated herein by this reference; and

WHEREAS, the financial assistance being made available by the CITY to the Borrower is conditioned on the use of the Property for owner-occupancy; and

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the CITY and the Borrower hereby agree and NOTICE IS HEREBY GIVEN that the Property shall be subject to this NOTICE OF RESTRICTIONS (the "Notice").

1. **Acceleration.** The CITY Loan, shall become due and immediately payable upon the occurrence of any one of the following events and in accordance with the schedule set forth in the Truth In Lending Disclosure Statement, prior to the twentieth (20th) anniversary of the CITY Loan:

   (a) any Sale of the Property;

   (b) any refinancing of the First Mortgage Loan;

   (c) Borrower no longer occupies the property pursuant to Section 5 of this agreement;

   (d) Any changes or transfers to Title

   (e) fails to maintain required insurance or fails to pay property taxes

   (f) an uncured default by Borrower under this Agreement, the Note or the CITY Deed of Trust; or

(g) an uncured default by Borrower on the promissory note evidencing or deed of trust securing the First Mortgage Loan.

2. **Owner-Occupancy Requirement.**

(a) Borrower shall occupy the Property as his or her or their principal residence, and the Property shall be used as the principal residence of Borrower and Borrower's household and for no other purpose. The maximum occupancy of the Property shall not exceed the maximum occupancy allowed by applicable law.

(b) The CITY shall have the right to monitor whether the Property is owner-occupied by requesting that Borrower provide the CITY, within 15 days of a written request, a written certification under penalty of perjury that the Property is owner-occupied, accompanied by supporting documentation reasonably satisfactory to the CITY. In the event of a breach or threatened breach of this sub-paragraph (b), the CITY, shall be entitled to institute legal action to enforce performance of this paragraph (b) and to obtain an injunction prohibiting anyone but borrower from occupying the Property and/or requiring Borrower to sell the Property to a person who will occupy the Property as his or her or their principle residence.

(c) These owner occupancy restrictions shall be set forth in the Notice of Restrictions to be recorded against the Property.

3. **Maintenance of Property.** Borrower shall maintain the interior and exterior of the improvements and the landscaping on the Property in a manner consistent with community standards which will uphold the value of the Property, in accordance with this Notice and the City of Oxnard City Code.

(a) Exterior Maintenance. All exterior, painted surfaces of any structures located on the Property shall be maintained at all times in a clean and presentable manner. Any such defacing marks shall be cleaned or removed within a reasonable time.

(b) Front and Side Exteriors. Borrower shall, at all times, maintain the front exterior and any visible side exteriors and yards, if any, in a clean, safe and presentable manner.

(c) Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures, must be removed from the Property and any necessary painting or repair completed within a reasonable time, but in no event more than one (1) week after notice to Borrower from CITY.

(d) Landscaping. All landscaping surrounding the Property shall be maintained in a manner consistent with standards of the City of Oxnard City Code and any rules, regulations and standards adopted pursuant thereto. In addition, for example, the yard areas shall not contain the following: (i) lawns with grasses in excess of nine (9) inches in height; (ii) trees, shrubbery, lawns or other plant life which are dying from a lack of water or other necessary maintenance; (iii) trees and shrubbery grown uncontrolled without proper pruning; (iv) vegetation so overgrown as to be likely to harbor rats or vermin; (v) inoperative irrigation systems.

(e) Maintenance by Borrower. Borrower shall, at his, her or their sole cost and expense, maintain and repair the Property and the improvements thereon, keeping the same in good condition and making all repairs as may be required by this Notice and applicable City rules and regulations.

(f) Damage and Destruction Affecting Property – Duty to Rebuild. If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Borrower to rebuild, repair or reconstruct the Property in a timely manner to restore it to comply with any applicable City rules or regulations.

(g) Variance in Exterior Appearance and Design. If the Property is damaged or destroyed by casualty, Borrower may not, without the prior written consent of the CITY, reconstruct, rebuild or repair the Property in a manner which will provide a different exterior appearance and lot design from that which existed prior to the date of casualty.

(h) Time Limitation. In the event of damage or destruction due to casualty, borrower shall be obligated to proceed with all due diligence to commence reconstruction within two (2) months after the damage occurs and to complete reconstruction within a reasonable time after damage occurs, unless prevented by cases beyond the reasonable control of Borrower.

(i) Pre-Sale Inspection. Not later than thirty (30) days prior to a Sale of the Property, Borrower shall give notice of the impending sale to the CITY in accordance with Section 4 below and shall permit the CITY to inspect the Property prior to the Sale upon reasonable prior notice from the CITY. Following such inspection, if the CITY determines that the Property is not in compliance with this Section 3, the CITY shall deliver to the Borrower a list of repairs that are required to be made to the Property to comply with this Section 3. At his, her or their sole cost and expense, Borrower shall complete such repairs, or provide for such repairs to be completed, to the reasonable satisfaction of the CITY prior to the Sale. With the consent of the CITY, Borrower may provide for such repairs to be paid out of the portion of net Sale proceeds to be paid to Borrower.

(j) Insurance and Property Taxes. Borrower shall maintain, during the term of the CITY Loan, an all-risk property insurance policy insuring the Property in an amount equal to the full replacement value of the structures on the Property. The policy shall name the CITY as loss payee and shall contain a statement of obligation on behalf of the insurance carrier to notify the CITY of any material change, cancellation or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to the CITY within thirty (30) days in advance of the effective date of such material change, cancellation or termination. Borrower shall deliver a copy of the certificate of insurance and loss payee endorsement to be CITY within thirty (30) days of the effective date of this Agreement. And Borrower shall annually deliver a copy of the certificate of insurance and loss payee endorsement to the CITY, signed by an authorized agent of the insurance carrier and setting forth the general provision of coverage. The copy of the

certificate of insurance and loss payee endorsement shall be delivered to the CITY as follows:

The City of Oxnard (NSP)
435 South D Street
Oxnard, California 93030
Attention: Housing Director

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the City of Oxnard as additional insured will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current. These impound accounts will be set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

4. **Notices.** Except as otherwise expressly provided in this Notice, in every case when, under the provisions of this Notice, request, demand, report or other communication on another party, the same shall be in writing and shall not be effective for any purpose unless served (1) personally, (2) by independent, reputable, overnight commercial courier, or (3) by deposit in the United Sates mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

To Borrower: _____
_____
_____

To CITY: The City of Oxnard (NSP)
435 South D Street
Oxnard, California 93030
Attention: Housing Director

5. No violation or breach of this Notice shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other security instrument permitted by the Loan Agreement and made in good faith and for value. This Notice shall be subordinate to the lien of the Deed of Trust naming _____ as beneficiary, recorded _____, as Instrument No. _____.

6. Notwithstanding any other provision of law, this Notice shall run with the land and shall be enforceable against the Borrower and successors in interest by the CITY. The requirements of Section 1 of this Notice shall remain in effect with respect to the Property until the end of twenty (20) years from the date hereof. The requirements of Section 2 of this Notice shall remain in effect

with respect to the Property until the end of twenty (20) years from the date hereof, or (b) repayment of the CITY Loan.

7. This Notice, without regard to technical classification or designation, shall be binding for the benefit of the CITY for the Entire period during which such covenants shall be in force and effect, without regard to whether the CITY is or remains an owner of any land or interest therein to which such covenants relate. The CITY, in the event of any breach of any such covenants, shall have the right exercise all the rights and remedies, and to maintain any action at law or suits in equity or other proper proceedings to enforce the curing of such breach.

8. Only the CITY, its successor, and assigns, the maker of the First Mortgage Loan and the Borrower and the successor and assigns of the Borrower in and to the Property shall have the right to consent and agree to change in, or to eliminate in whole or in part, this Notice or to subject the Property to additional covenants, easements, or other restrictions without the consent of any tenant, lessee, easement holder, licensee, trustee, beneficiary under a deed of trust (other than the First Mortgage Loan or the CITY Loan) or any other person or entity having an interest less than a fee in the Property. This Notice, without regard to technical classification or designation, shall not benefit or be enforceable by any person, or firm, or corporation, public or private, except the CITY and the Borrower and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Notice as of the day and year written below.

"BORROWER"

Dated: _____ By: _____
Name: _____

Dated: _____ By: _____
Name: _____

"CITY"

THE CITY OF OXNARD

Dated: _____ By: _____

(NOTARIZATION REQUIRED)

PROPERTY DESCRIPTION (Exhibit A)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 16 of Tract No. 2091-4, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 65, Pages 26 to 29, inclusive of Maps, in the Office of the County Recorder of said county.

Except therefrom all oil, gas, other hydrocarbon substances and minerals I and under said land, but without the right to enter upon the surface thereof or within 500 feet beneath the surface for the purpose of exploring for or extracting such oil, gas, or other hydrocarbon substances and minerals.

APN: 220-0-192-145

State of California

County of Ventura

On _____, before me,

_____, a Notary Public,

personally appeared _____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (SEAL)

DISCLOSURE STATEMENT (Exhibit E)
City of Oxnard Neighborhood Stabilization Program

I/We _____ Borrower understands and agrees that the provisions of financial assistance from the City of Oxnard ("CITY") under its Neighborhood Stabilization Program (NSP) Homebuyer Empowerment Loan Program (the "Program") are conditional on a number of factors, including but not limited to:

* I/We must qualify for a fixed-rate home loan from an institutional lender acceptable to the CITY.

* I/We must pay at least five thousand ($5,000) of the home purchase price as a down payment.

* I/We must qualify for eligibility under the guidelines of the Program, especially as it pertains to income.

I/We further understand and agree that:

* I/We will be responsible for repaying the amount of the Note. The Note will become all due and payable, at the option of the CITY, upon the earlier occurrence of any one of the following events: (i) any sale, transfer, assignment or conveyance of the Property, any portion thereof or interest therein, including, without limitation, exchange, or other disposition of any interest of the Property, whether voluntary or involuntary ("Sale"); (ii) any refinancing of the First Mortgage Loan; (iii) if I/we are in default under our loan agreement with the CITY, the Note, or the Deed of Trust to be signed in connection with the loan agreement; or (iv) if I/we are in default on the First Loan.

* The CITY Loan shall bear interest at a rate of 2% annually.

* Upon the twentieth (20th) anniversary of the loan, the loan shall be forgiven, and I/we shall have no further obligation to repay any part of the CITY Loan.

* During the term of the CITY Loan, I/we must continuously occupy the Property and I/we shall not rent or lease the Property.

* The CITY shall not be held responsible for any costs associated with the home I/we purchase with such assistance including, but not limited to, any loan fees or changes, any charges for appraisals, or any escrow costs or other costs relating to the transfer of the Property.

* The CITY cannot ensure that information provided by or on my/our behalf will be kept confidential.

* The CITY shall not be responsible for the selection of a lender providing funds assisting in the purchase of a home, providing information concerning other public or private sources of loans, or the competitiveness of the term of the Program, I/we assume all responsibility for determining whether I/we will inform myself/ourselves as to the availability and terms of other public or private loans.

* The CITY shall not be charged with the knowledge of the contents of the documents of the First Lender.

* Because the CITY Loan I/we receive under this Program may be forgiven under some circumstances, it may be income for purpose of federal or state income taxes and the CITY shall not be held responsible for the payment of any taxes which I/we may incur by virtue of the receipt of such financial assistance.

* All loans and funding requests must be approved by the Housing Director of the CITY. Therefore, a minimum 60-day escrow is necessary.

Dated:_____ _____
Signature of Borrower

Dated:_____ _____
Signature of Borrower

CITY OF OXNARD

TRUTH IN LENDING DISCLOSURE STATEMENT (Exhibit F)
NSP PROGRAM LOAN

Date: _____
Local Lender: City of Oxnard
Address: 435 South "D" Street
Oxnard, CA 93030

Applicants: _____
Address: _____
_____

ANNUAL PERCENTAGE RATE	AMOUNT FINANCED
The cost of your loan as a annually rate.	The amount of the loan .
2%	$60,000.00

TOTAL AMOUNT OF PAYMENT:

If you sell, transfer your property, do not occupy the property as your primary residence or default under any other terms outlined in the Deed of Trust , Loan Agreement, Promissory Note or Notice of Restrictions, before the end of the twenty (20) year loan term, the amount under Total Amount Owed will need to be repaid to the City of Oxnard. This is based on the date of sale, transfer, non-occupancy of the property or any other default as described above. The repayment amount consists of the principal amount (which shall have a percentage forgiven) and annual interest.

Year	Principal Amount	Percentage Forgiven		Interest	Total Amount Owed
First Year	$60,000.00	5% =	$3,000.00	$1,140.00	$58,140.00
Second Year	$57,000.00	10% =	$3,000.00	$2,220.00	$56,220.00
Third Year	$54,000.00	15% =	$3,000.00	$3,240.00	$54,240.00
Fourth Year	$51,000.00	20% =	$3,000.00	$4,200.00	$52,200.00
Fifth Year	$48,000.00	25% =	$3,000.00	$5,100.00	$50,100.00
Sixth Year	$45,000.00	30% =	$3,000.00	$5,940.00	$47,940.00
Seventh Year	$42,000.00	35% =	$3,000.00	$6,720.00	$45,720.00
Eighth Year	$39,000.00	40% =	$3,000.00	$7,440.00	$43,440.00
Ninth Year	$36,000.00	45% =	$3,000.00	$8,100.00	$41,100.00
Tenth Year	$33,000.00	50% =	$3,000.00	$8,700.00	$38,700.00
Eleventh Year	$30,000.00	55% =	$3,000.00	$9,240.00	$36,240.00
Twelfth Year	$27,000.00	60%=	$3,000.00	$9,720.00	$33,720.00
Thirteenth Year	$24,000.00	65% =	$3,000.00	$10,140.00	$31,140.00
Fourteenth Year	$21,000.00	70% =	$3,000.00	$10,500.00	$28,500.00
Fifteenth Year	$18,000.00	75% =	$3,000.00	$10,800.00	$25,800.00
Sixteenth Year	$15,000.00	80% =	$3,000.00	$11,040.00	$23,040.00
Seventeenth Year	$12,000.00	85% =	$3,000.00	$11,220.00	$20,220.00
Eighteenth Year	$9,000.00	90% =	$3,000.00	$11,340.00	$17,340.00

Nineteenth Year	$6,000.00	95% =	$3,000.00	$11,400.00	$14,400.00
Twentieth Year	$3,000.00	100% =	$3,000.00	$11,400.00	$0.00

Number of Payments	Amount of Payments	When Payments are Due
1	Refer to the schedule above	Upon sale or transfer of Property securing the Note

Insurance: You may obtain property, liability or any other required insurance through any company of your choice.

Security: By signing below, you are hereby giving a security interest, which will be a lien against the following property acquired:

Property address: _____

Prepayment: If there is an acceleration of the loan (i.e. you have to pay off the loan early), there will be no early payment penalty.

Please review the Deed of Trust, Loan Agreement, Promissory Note, and Notice of Restrictions for any additional information about nonpayment, default and any required repayment in full before the end of the twenty (20) year term of the loan (loan "anniversary date").

I/We have received a copy of this statement.

_____ _____
Signature Date

_____ _____
Signature Date

When recorded mail to:

ity of Oxnard
Affordable Housing and Rehab Division
435 South D Street
Oxnard, CA 93030

_____ Space above this line for Recorder's use

REQUEST FOR NOTICE OF DEFAULT AND SALE

In accordance with Section 2924b, Civil Code of the State of California, request is hereby made that a copy of any Notice of Default, and a copy of any Notice of Sale, under the Deed of Trust recorded _____, 2011, as instrument No. _____, in Book _____, Page _____, Official Recorders of the County of Ventura, State of California, executed by _____, as Trustor, in which _____ is named as Beneficiary and _____ as Trustee, be mailed to:

City of Oxnard (NSP)
435 South D Street
Oxnard, CA 93030

Dated: _____ _____

State of California

County of _____

On _____ before me, _____,
Date Here Insert Name and Title of Officer

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws Of the State of California that the foregoing paragraph is True and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

ATTACHMENT E

SELLERS LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) ____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

(ii)____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) ____ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

(ii) ____Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c)____Purchaser has received copies of all information listed above.

(d)____Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

(e)____Purchaser has (check (i) or (ii) below):

(i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent's Acknowledgment (initial)

(f)____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

ATTACHMENT F

CITY OF OXNARD

INSTRUCTIONS TO HOMEBUYER

A. Homebuyer works with lender of choice to obtain the primary lender's pre-qualification letter.

B. Upon determination of eligibility, the eligible homebuyer is selected to participate in the selection lottery, where the homebuyer will select and available home and then enters into a purchase contract (contingent upon receiving Program loan approval).

Lender provides the City with a copy of:
- real estate sales contract
- residential loan application
- credit report
- verified income documentation
- disclosure statement
- proof of personal funds for participation in program
- breakdown of closing costs
- structural pest control clearance
- appraisal with photos
- escrow instructions
- preliminary title report

C. The City reviews paperwork to determine program eligibility and financing affordability for participant etc.

D. The City staff meets with qualified applicant to provide information relative to the program requirements, the lending process, and home ownership responsibilities.

E. The City has home inspected (if necessary) to meet HQS or code compliance (dependent upon the program). Notice of any deficiencies or needed corrections are given to homebuyer's real estate agent, with recommended course of action.

F. Following loan approval, The City prepares Loan Agreement, Deed of Trust, Promissory Note, Request for Notice of Default or Sale, Notice of Restrictions, Disclosure Statement, requests checks and deposits same into escrow.

H. Escrow company furnishes the City with proof of documents to be recorded, and any escrow close out information. After receipt of recorded loan documents, HUD I, Insurance Loss Payee Certification and Final Title Insurance Policy (the City) closes out the loan file.

ATTACHMENT G

LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt ☐
Select one:	Visual Assessment ☐	Presumption ☐	Hazard Reduction ☐

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found ☐	
Attachment A: Summary where deteriorated paint was found.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.
Date of Presumption Notice:
Lead-based paint is presumed to be present ☐ and/or Lead-based paint ***hazards*** are presumed to be present ☐
Attachment B: Summary of Presumption:

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes ☐ No ☐	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types.	
Attachment D: Location of building components with lead-based paint remaining in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information	Organization:	
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

ATTACHMENT H

NSP Homebuyer Empowerment Loan Program (NSPHELP)
Lead Compliance Document Checklist

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

http://www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/usefulforms/leadcompliance.pdf