# City of Oxnard

# Affordable Housing & Rehabilitation Division

# Program Policies

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

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INTRODUCTION

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

| Section | Program | Income Limit | Funding Source |
|---|---|---|---|
| I | Citywide Homebuyer Loan | Up to 80% AMI | HOME |
| II | Citywide Mobilehome Rehabilitation Loan | Up to 80% AMI | HOME |
| III | Citywide Single Family Matching Rehabilitation Loan | Up to 80% AMI | HOME |
| IV | Citywide Single Family Rehabilitation Loan | Up to 80% AMI | HOME |
| V | Mobilehome Replacement Loan | Up to 80% AMI | HOME & CDBG |

# I. CITYWIDE HOMEBUYER LOAN – (HOME FUNDS)

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|---|---|
| PROGRAM DESCRIPTION | The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Citywide Homebuyer Loan available to income-qualified families to purchase their first home in the City of Oxnard. The Program will provide assistance in the form of a forgivable loan to potential homebuyers to make homeownership more attainable. The Program is funded by the Home Investment Partnership Program (HOME). |
| BORROWER ELIGIBILITY | • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI).<br>• All members of the household are required to submit full income and assets documentation.<br>• Borrowers and co-borrowers are required to submit an executed Uniform Residential Loan Application (Fannie Mae Form 1003).<br>• Applicants must be First-Time Homebuyers.<br>• Applicants must be Oxnard residents at time of application and must occupy the property as their primary residence for the term of the Loan.<br>• Each borrower and co-borrower must comply with all applicable restrictions on citizenship and legal immigration status pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. seq,., both of which are in effect as of the adoption of these policies; and further, must be eligible under any future statutes or regulations governing eligibility enacted subsequently. The residency status of a qualified alien must be continuous in nature required under 24 CFR 9.254 and CH&SC Section 33413(b)(2)(C). |
| INCOME LIMITS | Income Limits are based on eighty percent (80%) of the AMI for the Ventura County, Oxnard-Thousand Oaks-Ventura area as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "E" for maximum Income Limits per household. |
| ELIGIBLE DWELLINGS | • Any single-family residence, condominium unit, cooperative unit, or manufactured home.<br>• The assisted property must be located within the Oxnard City Limits. |
| PURCHASE PRICE LIMITS | Maximum purchase price cannot exceed HOME Value Limits (See Appendix "E"). |
| PROPERTY STANDARDS | • HOME assisted projects, including manufactured housing, must meet applicable state or local codes.<br>• All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance.<br>• The City will conduct a lead based paint, asbestos, and HQS Inspection prior to buyer's approval. Property must pass inspection by the City of Oxnard's Affordable Housing Inspector.<br>• The property must be free from any defects that pose a danger to the health or safety of occupants prior to the close of escrow. Minimum property standards are found in the *Housing Quality Standards (HQS)*. Any incipient building code violations must be corrected prior to sale or occupancy. |
| TRANSACTION TYPE | Purchase transactions only. |
| LOAN TERM | • The term of the Loan is 5 years if the Loan amount is up to $15,000 and 10 years if the Loan amount is from $15,001 up to $30,000. The Loan is forgivable at the end of the Loan term.<br>• All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would |

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| LOAN TERM *continues...* | constitute defaults which trigger the immediate obligation to repay the loan.<br>• No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan.<br>• The Loan has 3% annual deferred interest forgiven on a sliding scale as described in the Note and Truth In Lending Disclosure Statement.<br>• Owner-occupancy is required until the term expires.<br>• Loan cannot be combined with any other City loan or product.<br>• This is a one-time loan; any borrower who receives a loan under this program, regardless of the dollar amount of the loan, shall be ineligible to apply for another such loan. |
| COMPLIANCE WITH LOAN RESTRICTIONS | Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. |
| MINIMUM LOAN AMOUNT | $2,500 |
| MAXIMUM ASSISTANCE | • The Maximum Assistance cannot exceed HOME maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250.<br>• The Program will provide a Loan of up to $30,000 for down payment and/or closing costs. The Loan provides a 3 to 1 match of the homebuyer's contribution.<br>*For example: If the buyer contributes $3,000, the City may contribute up to $9,000; if the buyer contributes $5,000, the City may contribute up to $15,000.*<br>The City reserves the right to adjust the Loan amounts and percentages based on the type and amount of funds available in all funding sources. |
| USE OF FUNDS | Program funds may be used for the down-payment and/or non-recurring closing costs.<br>For example: credit report, escrow fee, closing fee, recording, title insurance, etc. |
| PROCESSING PRIORITY | Funds are available on a first qualified, first served basis. |
| PRE-APPROVAL/ ESCROW/ APPROVAL | • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: income, assets, legal residency, Fannie Mae Form 1003, credit report, full income and asset documentation, bank statements, HUD-approved homebuyer education certificate and Good Faith Estimate (GFE).<br>• Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter to the Borrower which may be submitted with an offer to purchase.<br>• Escrow must open within ninety (90) days from the date of the approval letter.<br>• Upon written request, a thirty (30) day extension to open escrow will be granted from the expiration date of the pre-approval letter.<br>• Escrow should close within sixty (60) days of opening.<br>• Final Loan Approval will be granted upon receipt of the Estimated Settlement Statement (HUD-1) and the property passing the required inspections.<br>• Loans will be submitted to the City's Loan Review Committee (LRC) for approval. |
| AGREEMENT APPROVAL | • Loan Agreements will be present to the City's Contract Compliance Review Committee (CCRC) for approval. |
| FIRST TRUST DEED LOAN TERMS | • <u>First Mortgage Product Type:</u> fixed rate 30-year fully amortized loans only. Balloon, interest-only, adjustable rate, negatively amortizing loans, temporary buy-downs, or loans with prepayment penalties are not allowed. |

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| FIRST TRUST DEED LOAN TERMS *continues.....* | • Maximum Loan Amount: determined by the lender (limited by Program's maximum debt ratios.)<br>• Additional Liens: must be approved by the City.<br>• Impounds: not required<br>• Lender Fees: must be reasonable and customary based on industry standards.<br>• FHA Loans:<br>1) Closing costs can be charged to the borrower per FHA closing cost allowances; and<br>2) The maximum front end ratio [Principal Interest Title and Insurance (PITI)] shall be 35%. |
| PROPERTY TAX AND INSURANCE CALCULATIONS | When determining the monthly amount of property taxes, fire and mortgage insurance premiums on all down payment assistance loans, the following standard factors will be used, unless documentation can be provided to justify actual figures:<br>• Property Taxes: .0125 of the purchase price, adjusted monthly.<br>• Hazard Insurance Premiums: are estimated at .03 of the loan amount, adjusted monthly.<br>• Private Mortgage Insurance (PMI) or Mortgage Insurance (MI): actual amount, adjusted monthly. |
| MAXIMUM FRONT END RATIO | Under the Program, HOME does not place restrictions on the minimum front end ratio, therefore assistance will be provided to the extent that will ensure that the household's front end ratio does not exceed 35% of their income. |
| MAXIMUM BACK END RATIO | • 45% of the applicant(s) monthly income<br>• Co-signed, Deferred and Secured Loans shall be included in the determination of the debt-to-income ratio unless paid or refinanced by a joint responsible party prior to or at close of escrow. |
| MAXIMUM COMBINED LOAN-TO-VALUE (CLTV) | 100% of the purchase price or appraised value, whichever is less. |
| HOMEBUYER EDUCATION | • The course must be attended in person, through a HUD-approved Homebuyer Education Provider located within Ventura County.<br>• A Homebuyer Education Certificate must be issued for all buyers within the last 12 months from the date of application. |
| NON PURCHASING SPOUSE | The income, assets, debts, and liabilities of the non-purchasing spouse will be considered in qualifying the household. For purposes of the Program, if the information of a spouse is not included on the Fannie Mae Form 1003, a separate Fannie Mae Form 1003, income, asset, and credit report documentation must be provided. First-Time Homebuyer status must also be met in addition to all requirements. |
| COSIGNERS / COMORTAGORS/ COBORROWERS | Must meet borrower eligibility requirements. |
| SUBORDINATION | See APPENDIX "B" for Subordination Requirements. |
| CITY FEES | No City or Lender fees will be charged for the origination of a Program Loan. |
| PAYMENT OF LOAN | The Program Loan payments (principal and interest) will be deferred for the term of the loan. |
| ACCELERATION | The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:<br>• Sale of the Property;<br>• Unauthorized refinancing;<br>• Borrower non-occupancy;<br>• Changes/transfers of title;<br>• Fails to maintain hazard insurance; |

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| ACCELERATION *continues....* | • Fails to pay property taxes;<br>• An uncured default by Borrower under this Agreement, the Note or the Deed of Trust;<br>• An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan.<br>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated. |
| EXTENDED ABSENCE | In the event the borrower will be away from the premises for more than 45 consecutive days, borrower agrees to notify in writing of such absence. |
| ASSUMABILITY | The Loan is not assumable. |
| PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION | Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties. |
| APPEALS/ EXCEPTIONS | The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter. |

## II. CITYWIDE MOBILEHOME REHABILITATION LOAN – (HOME FUNDS)

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| PROGRAM DESCRIPTION | The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Citywide Mobilehome Rehabilitation Loan available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). |
| TRANSACTION TYPE | Home rehabilitation transactions only. |
| USE OF FUNDS | Program funds will be used for the required rehabilitation based on the HQS Inspection Report. |
| CITY FEES | No City or Lender fees will be charged for the origination of a Program Loan. |
| PROCESSING PRIORITY | Funds are available on a first qualified, first served basis. |
| BORROWER ELIGIBILITY | • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI).<br>• All members of the household are required to submit full income and assets documentation.<br>• Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan.<br>• Each borrower and co-borrower must comply with all applicable restrictions on citizenship and legal immigration status pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. seq., both of which are in effect as of the adoption of these policies; and further, must be eligible under any future statutes or regulations governing eligibility enacted subsequently. The residency status of a qualified alien must be continuous in nature required under 24 CFR 9.254 and CH&SC Section 33413(b)(2)(C). |
| CO-OWNERS | Must meet borrower eligibility requirements. |
| INCOME LIMITS | Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household. |
| ELIGIBLE DWELLINGS | • Any mobilehome residence.<br>• The assisted property must be located within the Oxnard City Limits. |
| PROPERTY STANDARDS | • HOME assisted projects must meet applicable state or local codes.<br>• All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance.<br>• The City will conduct a lead based paint, asbestos, and HQS Inspection prior to loan approval. Property must pass inspection by the City of Oxnard's Affordable Housing Inspector. |
| HOME VALUE LIMITS | The maximum home value cannot exceed HOME Value Limits (See Appendix "E"). |
| PRE-APPROVAL | • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement.<br>• Upon review and approval of the documentation submitted, the City will |

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| PRE-APPROVAL *continues....* | issue a Pre-Approval Letter. |
| LOAN APPROVAL | Loan will be approved by the Loan Review Committee (LRC). |
| GREEMENT APPROVAL | Loan agreement will be approved by Contract Compliance Review Committee (CCRC). |
| MINIMUM LOAN AMOUNT | $2,500 |
| MAXIMUM ASSISTANCE | • The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250.<br>• The Program will provide a Loan of up to $30,000. |
| MAXIMUM COMBINED LOAN-TO-VALUE (CLTV) | Combined loan to value ratio should not exceed 90% of home value.<br>• Loan to value is determined by the sum of all encumbrances on the property including the City's Citywide Mobilehome Rehabilitation Loan. |
| LOAN TERM | • The term of the Loan is 5 years if the Loan amount is up to $10,000 and 10 years if the Loan amount is from $10,001 up to $20,000. A loan of up to $20,000 has no interest and is forgiven at the end of the Loan term.<br>• Any amount in excess of $20,000 will have a repayment term of twenty years with up to 240 equal installments commencing the first day of the month following the second month in which the loan is provided.<br>• All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan."<br>• The Loan has zero percent interest (0) as described in the Note and Truth In Lending Disclosure Statement.<br>• Owner-occupancy is required until the term expires.<br>• Loan cannot be combined with any other City loan or product.<br>• This is a one-time loan; any borrower who receives a loan under this program, regardless of the dollar amount of the loan, shall be ineligible to apply for another such loan. |
| COMPLIANCE WITH LOAN RESTRICTIONS | Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. |
| PAYMENT OF LOAN | The Program Loan payment will be deferred for the term of the loan on a loan amount up to $20,000. |
| ASSUMABILITY | The Loan is not assumable. |
| SUBORDINATION | See APPENDIX "B" for Subordination Requirements. |
| ACCELERATION | The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:<br>• Sale of the Property;<br>• Unauthorized refinancing;<br>• Borrower non-occupancy;<br>• Changes/transfers of title;<br>• Fails to maintain hazard insurance;<br>• Fails to pay property taxes or registration fees;<br>• An uncured default by Borrower under this Agreement, the Note or the Statement to Encumber;<br>• An uncured default by Borrower on the Promissory Note evidencing or Statement to Encumber securing any loan.<br>The acceleration clause will be in effect: upon discovery of willful |

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| ACCLELERATION *continues....* | misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated. |
| EXTENDED ABSENCE | In the event the borrower will be away from the premises for more than 45 consecutive days, borrower agrees to notify in writing of such absence. |
| SCOPE OF WORK | The scope of work shall include all items in need of repairs according to the HQS Inspection Report.<br>• Homeowner requests will be taken into consideration along with items in the HQS report. |
| CONTRACTORS | • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list.<br>• Contractors must not appear on the debarment list. |
| CHANGE ORDERS | Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done. |
| LIEN RELEASES | A contractor must submit completed and signed lien releases for the project. |
| PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION | Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties. |
| APPEALS/ EXCEPTIONS | The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter. |

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

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| PROGRAM DESCRIPTION | The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Citywide Single Family Matching Rehabilitation Loan (Loan) available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). |
| TRANSACTION TYPE | Home rehabilitation transactions only. |
| USE OF FUNDS | Program funds will be used for the required rehabilitation based on the HQS Inspection Report. |
| CITY FEES | No City or Lender fees will be charged for the origination of a Program Loan. |
| PROCESSING PRIORITY | Funds are available on a first qualified, first served basis. |
| BORROWER ELIGIBILITY | • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI).<br>• All members of the household are required to submit full income and assets documentation.<br>• Applicants must be Oxnard residents at time of application.<br>• Applicants and all persons on title must occupy the property as their primary residence for the term of the Loan.<br>• Each borrower and co-borrower must comply with all applicable restrictions on citizenship and legal immigration status pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. seq., both of which are in effect as of the adoption of these policies; and further, must be eligible under any future statutes or regulations governing eligibility enacted subsequently. The residency status of a qualified alien must be continuous in nature required under 24 CFR 9.254 and CH&SC Section 33413(b)(2)(C). |
| CO-OWNERS | Must meet borrower eligibility requirements. |
| INCOME LIMITS | Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household. |
| ELIGIBLE DWELLINGS | • Any single-family residence, condominium unit, cooperative unit, or manufactured home.<br>• Assisted property must be located within the Oxnard City Limits. |
| PROPERTY STANDARDS | • HOME assisted projects, including manufactured housing, must meet applicable state or local codes.<br>• All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance.<br>• The City will conduct a lead based paint, asbestos, and HQS Inspection prior to loan approval. Property must pass inspection by the City of Oxnard's Affordable Housing Inspector. |
| HOME VALUE LIMITS | Maximum home value cannot exceed HOME Value Limits (See Appendix "E"). |

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| PRE-APPROVAL | • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement.<br>• Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter. |
| LOAN APPROVAL | Loan will be approved by the Loan Review Committee (LRC). |
| AGREEMENT APPROVAL | Loan agreement will be approved by the Contract Compliance Review Committee (CCRC). |
| MINIMUM LOAN AMOUNT | $2,500 |
| MAXIMUM ASSISTANCE | The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") and it will also be based on loan to value ratio which should not exceed 90% of home value.<br>• Loan to value ratio is determined by the sum of all encumbrances on the property including any City Loan. Program will provide a Loan of up to $30,000 for rehabilitation. The Loan provides a 3 to 1 match of the homeowner's contribution.<br>*For example: If the homeowner contributes $3,000, the City may contribute up to $9,000; if the homeowner contributes $5,000, the City may contribute up to $15,000.* |
| MAXIMUM COMBINED LOAN-TO-VALUE (CLTV) | Combined loan to value ratio should not exceed 90% of home value.<br>• Loan to value is determined by the sum of all encumbrances on the property including any City Loan. |
| LOAN TERM | • The term of the Loan is 5 years if the Loan amount is up to $15,000 and 10 years if the Loan amount is from $15,001 up to $30,000. The Loan is forgiven at the end of the Loan term.<br>• All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan."<br>• No payments are required until sale, transfer, conveyance, unauthorized refinance, and/or owner non-occupancy of the property for the term of the loan.<br>• The Loan has 3% annual deferred interest forgiven on a sliding scale as described in the Note and Truth In Lending Disclosure Statement.<br>• Owner-occupancy is required until the term expires.<br>• Loan cannot be combined with any other City loan or product.<br>• This is a one-time loan; any borrower who receives a loan under this program, regardless of the dollar amount of the loan, shall be ineligible to apply for another such loan. |
| COMPLIANCE WITH LOAN RESTRICTIONS | Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. |
| PAYMENT OF LOAN | The Program Loan payment (principal and interest) will be deferred for the term of the loan. |
| ASSUMABILITY | The Loan is not assumable. |
| SUBORDINATION | See APPENDIX "B" for Subordination Requirements. |

| | |
|---|---|
| ACCELERATION | The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:<br>• Sale of the Property;<br>• Unauthorized refinancing;<br>• Borrower non-occupancy;<br>• Changes/transfers of title;<br>• Fails to maintain hazard insurance;<br>• Fails to pay property taxes;<br>• An uncured default by Borrower under this Agreement, the Note or the Deed of Trust;<br>• An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan.<br>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated. |
| EXTENDED ABSENCE | In the event the borrower will be away from the premises for more than 45 consecutive days, borrower agrees to notify in writing of such absence. |
| SCOPE OF WORK | The scope of work shall include all items in need of repairs according to the HQS Inspection Report.<br>• Homeowner requests will be taken into consideration along with items in the HQS report. |
| CONTRACTORS | • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list.<br>• Contractors must not appear on the debarment list. |
| CHANGE ORDERS | Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done. |
| LIEN RELEASES | A contractor must submit completed and signed lien releases for the project. |
| PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION | Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties. |
| APPEALS/ EXCEPTIONS | The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter. |

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

| | |
|---|---|
| PROGRAM DESCRIPTION | The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Citywide Single Family Rehabilitation Loan (Loan) available to income-qualified families requiring assistance to rehabilitate their home. The Program is funded by the Home Investment Partnership Program (HOME). |
| TRANSACTION TYPE | Home rehabilitation transactions only. |
| USE OF FUNDS | Program funds will be used for the required rehabilitation based on the HQS Inspection Report. |
| CITY FEES | No City or Lender fees will be charged for the origination of a Program Loan. |
| PROCESSING PRIORITY | Funds are available on a first qualified, first served basis. |
| BORROWER ELIGIBILITY | • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI).<br>• All members of the household are required to submit full income and assets documentation.<br>• Applicants must be Oxnard residents at time of application and all persons on title must occupy the property as their primary residence for the term of the Loan.<br>• Each borrower and co-borrower must comply with all applicable restrictions on citizenship and legal immigration status pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. seq., both of which are in effect as of the adoption of these policies; and further, must be eligible under any future statutes or regulations governing eligibility enacted subsequently. The residency status of a qualified alien must be continuous in nature required under 24 CFR 9.254 and CH&SC Section 33413(b)(2)(C). |
| CO-OWNERS | Must meet borrower eligibility requirements. |
| INCOME LIMITS | Income Limits are based on eighty percent of the AMI for Ventura County, as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household. |
| ELIGIBLE DWELLINGS | • Any single-family residence, condominium unit, cooperative unit, or manufactured home.<br>• The assisted property must be located within the Oxnard City Limits. |
| PROPERTY STANDARDS | • HOME assisted projects, including manufactured housing, must meet applicable state or local codes.<br>• All properties built prior to January 1, 1978 will be presumed to contain lead-based paint on either interior or exterior surfaces or both. In order to implement the federal guidelines certain procedures have been implemented for properties receiving federal assistance.<br>• The City will conduct a lead based paint, asbestos, and HQS Inspection prior to loan approval. Property must pass inspection by the City of Oxnard's Affordable Housing Inspector. |
| HOME VALUE LIMITS | The maximum home value cannot exceed HOME Value Limits (See Appendix "E"). |
| PRE-APPROVAL | • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: full income and assets, legal residency, ownership, owner-occupancy, required home insurance, and mortgage balance statement.<br>• Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter. |

| | |
|---|---|
| LOAN APPROVAL | Loan will be approved by the Loan Review Committee (LRC). |
| AGREEMENT APPROVAL | Loan agreement will be approved by the Contract Compliance Review Committee (CCRC). |
| MINIMUM LOAN AMOUNT | $2,500 |
| MAXIMUM ASSISTANCE | The Maximum Assistance cannot exceed HOME Maximum Subsidy Limits (See Appendix "F") and it will also be based on loan to value ratio which should not exceed 90% of home value.<br>• Loan to value ratio is determined by the sum of all encumbrances on the property including any City Loan.<br>• Program will provide a Loan of up to $30,000 for rehabilitation with no interest and with no monthly payments.<br>• Program may provide assistance over the initial $30,000, if required. Any amount over $30,000 will require 240 equal installments with no interest. |
| MAXIMUM COMBINED LOAN-TO-VALUE (CLTV) | Combined loan to value ratio should not exceed 90% of home value.<br>• Loan to value is determined by the sum of all encumbrances on the property including any City Loan. |
| LOAN TERM | • The term of the Loan is 20 years if the Loan amount is up to $30,000. A loan of up to $30,000 is forgiven at the end of the Loan term.<br>• Any amount in excess of $30,000 will have a repayment term of twenty years with up to 240 equal installments commencing the first day of the month following the second month in which the loan is provided.<br>• All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan."<br>• All Loans have zero percent interest (0) as described in the Note and Truth In Lending Disclosure Statement.<br>• Owner-occupancy is required until the term expires.<br>• Loan cannot be combined with any other City loan or product.<br>• This is a one-time loan; any borrower who receives a loan under this program, regardless of the dollar amount of the loan, shall be ineligible to apply for another such loan. |
| COMPLIANCE WITH LOAN RESTRICTIONS | Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. |
| PAYMENT OF LOAN | The Program Loan payment (principal and interest) will be deferred for the term of the loan on a loan amount up to $30,000. |
| ASSUMABILITY | The Loan is not assumable. |
| SUBORDINATION | See APPENDIX "B" for Subordination Requirements. |
| ACCELERATION | The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:<br>• Sale of the Property;<br>• Unauthorized refinancing;<br>• Borrower non-occupancy;<br>• Changes/transfers of title;<br>• Fails to maintain hazard insurance;<br>• Fails to pay property taxes;<br>• An uncured default by Borrower under this Agreement, the Note or the Deed |

| | |
|---|---|
| ACCELERATION<br>*continues....* | of Trust;<br>• An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan.<br>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated. |
| EXTENDED ABSENCE | In the event the borrower will be away from the premises for more than 45 consecutive days, borrower agrees to notify in writing of such absence. |
| SCOPE OF WORK | The scope of work shall include all items in need of repairs according to the HQS Inspection Report.<br>• Homeowner's requests will be taken into consideration along with items in the HQS report. |
| CONTRACTORS | • Contractors must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list.<br>• Contractors must not appear on the debarment list. |
| CHANGE ORDERS | Change orders must be approved by the City for any changes or additional unforeseen work items prior to work being done. |
| LIEN RELEASES | A contractor must submit completed and signed lien releases for the project. |
| PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION | Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties. |
| APPEALS/ EXCEPTIONS | The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter. |

## V. MOBILEHOME REPLACEMENT LOAN – (HOME & CDBGFUNDS)

| | |
|---|---|
| ROGRAM DESCRIPTION | The City of Oxnard's Affordable Housing and Rehabilitation Division (City) has a Mobilehome Replacement Loan available to income-qualified families to replace their existing deteriorated mobilehome in the City of Oxnard. The Program is funded by the Home Investment Partnership Program (HOME) and Community Development Block Grant (CDBG). |
| BORROWER ELIGIBILITY | • The combined annual gross household income may not exceed eighty percent (80%) of the Area Median Incomes (AMI).<br>• All members of the household are required to submit full income and assets documentation.<br>• Applicants must be Oxnard residents at time of application and must occupy the property as their primary residence for the term of the Loan.<br>• Each borrower and co-borrower must comply with all applicable restrictions on citizenship and legal immigration status pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and 8 U.S.C. 1611 et. seq., both of which are in effect as of the adoption of these policies; and further, must be eligible under any future statutes or regulations governing eligibility enacted subsequently. The residency status of a qualified alien must be continuous in nature required under 24 CFR 9.254 and CH&SC Section 33413(b)(2)(C). |
| INCOME LIMITS | Income Limits are based on eighty percent (80%) of the AMI for the Ventura County, Oxnard-Thousand Oaks-Ventura area as determined annually by the United States Department of Housing and Urban Development (HUD) and may be amended from time to time. See Appendix "D" for maximum Income Limits per household. |
| LIGIBLE DWELLINGS | • Any mobilehome residence.<br>• The assisted property must be located within the Oxnard City Limits. |
| PURCHASE PRICE LIMITS | Maximum purchase price cannot exceed HOME Value Limits (See Appendix "E"). |
| PROPERTY STANDARDS | • HOME assisted projects.<br>• The City will conduct an HQS Inspection after homeowner's pre-approval by the City of Oxnard Affordable Housing Inspector.<br>• The property must be deteriorated to the extent that it would require an excess of $30,000 in rehabilitation. |
| TRANSACTION TYPE | Replacement transactions only. |
| LOAN TERM | • The term of the loan is 20 years, with payments up to 20 years, has no interest and is forgiven at the end of the Loan term.<br>• All loan amounts shall be due and payable to the City if the homeowner defaults on any of the Loan terms before the term expires. The failure of the homeowner to live in the unit, and any re-financing without prior written authorization of the City, are two examples of types of actions that would constitute defaults which trigger the immediate obligation to repay the loan."<br>• Loan cannot be combined with any other City loan or product.<br>• This is a one-time loan; any borrower who receives a loan under this program, regardless of the dollar amount of the loan, shall be ineligible to apply for another such loan. |
| COMPLIANCE WITH LOAN RESTRICTIONS | Applicants have a continual affirmative duty to provide any and all information and documentation, upon request from the City, in order to assist City in the process of monitoring compliance with all terms of the loan. |
| MINIMUM LOAN AMOUNT | $2,500 |

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|---|---|
| MAXIMUM ASSISTANCE<br><br>MAXIMUM ASSISTANCE *continues....* | • The Maximum Assistance cannot exceed HOME maximum Subsidy Limits (See Appendix "F") as per HOME regulations at 24 CFR Part 92.250.<br><br>The City reserves the right to adjust the Loan amounts and percentages based on the type and amount of funds available in all funding sources. |
| USE OF FUNDS | Program funds may be used for the replacement of mobilehomes. |
| PROCESSING PRIORITY | Funds are available on a first qualified, first served basis. |
| PRE-APPROVAL/ ESCROW/ APPROVAL | • To determine eligibility, the borrower must submit an application package to include at a minimum the following documentation: income, owner-occupancy, assets, legal residency, and ownership.<br>• Upon review and approval of the documentation submitted, the City will issue a Pre-Approval Letter. |
| SUBORDINATION | See APPENDIX "B" for Subordination Requirements. |
| CITY FEES | No City or Lender fees will be charged for the origination of a Program Loan. |
| PAYMENT OF LOAN | The Program Loan payments will be due monthly and will be in the amount based on 35% of household income minus housing expenses (space rent and utilities). |
| ACCELERATION | The Program Loan, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Loan term:<br>• Sale of the Property;<br>• Unauthorized refinancing;<br>• Borrower non-occupancy;<br>• Changes/transfers of title;<br>• Fails to maintain hazard insurance;<br>• Fails to pay property taxes;<br>• An uncured default by Borrower under this Agreement, the Note or the Deed of Trust;<br>• An uncured default by Borrower on the Promissory Note evidencing or Deed of Trust securing any loan.<br>The acceleration clause will be in effect: upon discovery of willful misrepresentation or fraud in connection with the Program. Borrower non-occupancy of the property is prohibited and will cause the loan to be accelerated. |
| EXTENDED ABSENCE | In the event the borrower will be away from the premises for more than 45 consecutive days, borrower agrees to notify in writing of such absence. |
| ASSUMABILITY | The Loan is not assumable. |
| PENALTIES FOR APPLICANT/ LENDER MISREPRESENTATION | Any person making a material misstatement or misrepresentation in any affidavit or certification made in connection with the application for the Program loan shall be subject to all applicable fines and penalties. |
| APPEALS/ EXCEPTIONS | The City will review any appeals of rejected Loans only if the review is requested in writing by the applicant and received within ten (10) days from the date of the denial letter. |
| MANUFACTURED HOME DEALERS | • Contractors working for the Manufacture Home Dealer must be licensed by the State of California and City of Oxnard, and be part of the Affordable Housing & Rehabilitation Division contractor's list.<br>• Contractors working for the Manufactured Home Dealer must not appear on the debarment list. |

DEFINITIONS: AFFORDABLE HOUSING ASSISTANCE PROGRAMS

| | |
|---|---|
| *APPLICANT* | Any person who applies for a loan with the Affordable Housing & Rehabilitation Division. |
| *AREA MEDIAN INCOMES (AMI)* | The median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development (HUD) pursuant to Section 8 of the United States Housing Act of 1937: the median income for the Ventura County, Oxnard-Thousand Oaks- Ventura area with adjustments for household size, as adjusted from time to time by HUD. |
| *ASSETS* | Cash or non-cash items that can be converted to cash. Assets exclude necessary personal property. |
| *CITY* | The City of Oxnard. |
| *COMPLETE APPLICATION* | A fully executed (completely filled out and having all required signatures) application with all supporting documents requested on the application. |
| *EIGHTY PERCENT (80%) OF AREA MEDIAN INCOMES (AMI)* | Annual gross income up to eighty percent (80%) of the Area Median Income, adjusted for family size (see Appendix "D"). |
| *ELIGIBLE BORROWER* | Any person meeting the criteria for an eligible borrower set forth in these guidelines. |
| *ELIGIBLE DWELLING* | • Any single-family residence, condominium unit, cooperative unit, or manufactured homes that meet HUD conventional guidelines.<br>• The assisted property must be located in the City of Oxnard (as defined by the Oxnard Planning Boundaries or you may refer to the most current Thomas Guide, Santa Barbara, San Luis Obispo & Ventura Counties, Street Guide published by Rand McNally). |
| *FIRST QUALIFIED-FIRST SERVED* | Complete applications will be processed prior to incomplete applications to determine program eligibility and upon pre-approval, funds will be reserved. |
| *HOME FUNDS* | Funds received pursuant to the HOME Investment Partnership Program under the Department of Housing and Urban Development (HUD), codified at 42 U.S.C. Section 12701, et seq., 24 CFR Part 92, to provide funds for affordable housing. |
| *HOME VALUE* | The value of the eligible property as determined by sales price and/or a certified appraisal. |
| *HOUSEHOLD* | One or more persons occupying the same housing unit (including foster care children). |
| *HOUSEHOLD MEMBERS* | An individual, or two or more persons related by blood or marriage, or a group of unrelated individuals living together and bearing the generic |

| | |
|---|---|
| | character of a relatively permanent housekeeping unit in a property unit as defined by HUD. See also "Household." |
| *INCOME CALCULATION METHOD* | Annual income is calculated using the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period, as described in 24 CFR Part 5. |
| *LIQUID ASSETS* | Shall be defined as savings, checking, money market or stock accounts that are non-retirement, life insurance, non-loan or gift related. |
| *LOAN* | Financing provided to an Eligible Borrower for the rehabilitation of an Eligible Dwelling. |
| *LOW-INCOME* | A household with income up to eighty percent (80%) of the Area Median Incomes (AMI), as defined under HOME and by California State Law. |
| *MAXIMUM HOME VALUE LIMIT* | The maximum home value cannot exceed HOME Value Limits. |
| *MAXIMUM SUBSIDY LIMITS* | The maximum subsidy amount cannot exceed the HOME Investment Partnership Program 221(d) (3) Maximum Per Unit Subsidy Limits; see Exhibit "G." |
| *MODERATE-INCOME* | A household with income up to one hundred and twenty percent (120%) of the Area Median Incomes (AMI), as defined under HOME and by California State Law. |
| *OWNERSHIP* | Any of the following interests in residential property: fee simple interest; joint tenancy; tenancy in common; interest of a tenant-shareholder in a cooperative; life estate; interest held in trust for the Applicant that would constitute a present ownership interest if held by the Applicant. |
| *PRIMARY RESIDENCE* | The property occupied by the applicant(s). |
| *PROPERTY STANDARDS* | The minimum performance standards a property must meet for program eligibility. Standards are established in 24 CFR Part 882 (Housing Quality Standards). In addition, any incipient building code violations must be corrected prior to sale or occupancy. |
| *SINGLE-FAMILY RESIDENCE* | A housing unit intended and used for occupancy of a household. |

Appendix "B"

**LOAN SUBORDINATIONS REQUIREMENTS**

(ALL PROGRAMS)

The City of Oxnard's Affordable Housing & Rehabilitation Division will subordinate program loans under the following conditions:

The City will consider subordination if the result is to allow the Buyer to obtain a lower monthly payment and lower interest rate, with no increase in the combined principal loan amount and no cash out.

- NON-RESTRICTED UNITS
  - Property value is determined by appraisal report ordered by lender
  - Combined Loan to Value (LTV) ratio must not exceed 90%
  - No cash out allowed
  - New loan must be fully amortized loan with a fixed interest rate
- DEED RESTRICTED UNITS
  - Property value is determined by Current Price Index (CPI) Method
  - Combined Loan to Value (LTV) ratio cannot exceed ninety percent (90%).
  - No cash out allowed unless stated in Resale Restriction Agreement
  - Fully amortized loan with a fixed interest rate
- DEED RESTRICTED UNITS IN REDEVELOPMENT AREAS
  - Property value of redevelopment restricted units is determined by the Housing Cost Method
  - Refinancing is permitted if the new loan meets the following:
    - a) New loan amount must not exceed the original principal amount of the loan secured by the first trust deed or mortgage being refinanced (plus reasonable loan fees and costs).
    - b) The new loan must be fully amortized with a fixed interest rate
    - c) No cash out unless stated in the Resale Restriction Agreement
- REHABILITATED UNITS
  - Refinancing will only be allowed if it's to lower rate, term, or monthly payment.
  - Property value is determined by either an estimated value or an appraisal report
  - Combined Loan to Value (LTV) ratio must not exceed ninety percent (90%).
  - No cash out allowed
  - New loan must be fully amortized loan with a fixed interest rate

## SUBORDINATION PROCESS

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

2) The requesting agency must submit 1) Appraisal Report (Non-Restricted Units) 2) HUD1 and 3) completed Subordination Questionnaire.

3) Once the questionnaire, HUD1 and appraisal report are received by staff the following items are reviewed to verify the new loan meets the City's requirements:

    a. Property value

    b. New loan amount

    c. Interest rate

    d. Purpose of loan

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

5) The title company processing the refinancing transaction must draft a subordination agreement which meets City's guidelines and submit for signatures.

Appendix "C"

## INCOME CALCULATION WORKSHEET

| 1.Name: DOE, JOHN AND JANE | 2. Program: HOMEBUYER PROGRAM |
|---|---|

ASSETS

| Family Member | Assets Description | Current Cash Value of Assets | Actual Income from Assets |
|---|---|---|---|
| JOHN/JANE | CHECKING | $7,247.00 | $0 |
| JOHN/JANE | SAVINGS | $4,765.00 | $2.36 |
| JOHN/JANE | RETIREMENT/SAVINGS | $6,037.00 | $25.64 |
| | | | |
| 3. Net Cash Value of Assets..... | | $18,049.00 | |

| | |
|---|---|
| 4. Total Actual Income from Assets..... | 4. $28.00 |
| 5. If line 3 is greater than $5,000, multiply line by .02% (Passbook Rate) and enter the results here; otherwise, leave blank. | 5. $361.00 |

ANTICIPATED ANNUAL INCOME

| Family Member | Wages/ Salaries | Benefits/ Pensions | Public Assistance | Other Income | Asset Income |
|---|---|---|---|---|---|
| John | $43,160 | | | | Enter the greater of lines 4 or 5 from above in e. |
| Jane | $13,260 | | | | |
| Johnnie Jr | | | | | |
| | | | | | |
| 6. Totals | a.$56,420 | b. | c. | d. | e.$361.00 |

| | |
|---|---|
| Enter total of items from 6a. through 6.e<br>This is Annual Gross Income. | **$56,781** |

Reviewed by: _____ Date: _____

$ 64,100 Income Limit

$ 56,781 Income of Household

Approved by: _____ Date: _____

Appendix "D"

**FY 2011 Income Limits Documentation System**

**FY 2011 Income Limits Summary**

| Ventura County, California | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **FY 2011 Income Limit Area** | **Median Income** | **FY 2011 Income Limit Category** | **1 Person** | **2 Person** | **3 Person** | **4 Person** | **5 Person** | **6 Person** | **7 Person** | **8 Person** |
| | | Extremely Low (30%) Income Limits | $18,700 | $21,400 | $24,050 | $26,700 | $28,850 | $31,000 | $33,150 | $35,250 |
| | | Very Low (50%) Income Limits | $31,150 | $35,600 | $40,050 | $44,500 | $48,100 | $51,650 | $55,200 | $58,750 |
| | | Low (80%) Income Limits | $49,850 | $57,000 | $64,100 | $71,200 | $76,900 | $82,600 | $88,300 | $94,000 |
| | | Low (120%) Income Limits | $74,000 | $84,550 | $95,150 | $105,700 | $114,150 | $122,600 | $131,050 | $139.500 |

Income Limits change annually as per United Sates Department of Housing and Urban Development (HUD).

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT**

**FOR VENTURA COUNTY**

**As per HOME regulations at 24 CFR 92.254**

**(HOME Value Limits as of 1/1/2011)**

| COUNTY NAME | One-Family |
|---|---|
| VENTURA | $427,500 |

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

**MAXIMUM HOME PER UNIT SUBSIDY LIMITS**

**As per HOME regulations at 24 CFR Part 92.250**

**(HOME Maximum Subsidy as of 1/1/2011)**

| Bedrooms | HOME Maximum Subsidy |
|---|---|
| 0 | $128,698 |
| 1 | $147,530 |
| 2 | $179,398 |
| 3 | $232,080 |
| 4+ | $254,753 |

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