

**CITY OF PORTERVILLE**  
First Time Low Income Home Buyer Program  
291 NORTH MAIN STREET,  
PORTERVILLE, CA 93257  
(559) 782-7460

**LENDER PARTICIPATION AGREEMENT**

This Lender Participation Agreement (the Participation Agreement) is entered into between \_\_\_\_\_ (the Lender) and the City of Porterville (the City) with respect to the Lender's participation in the First Time Low Income Home Buyer Loan Program (the Program).

SECTION 1.  
REPRESENTATIVES AND WARRANTIES.

The Lender hereby covenants and represents to the City as follows:

- a) The Lender is a duly organized and existing CORPORATION currently in good standing under the laws under which it was formed.
- b) The Lender has become familiar with the general Program description as contained in the document entitled a City of Porterville First Time Low Income Home Buyer Loan Program Guidelines and is familiar with the unique underwriting requirements of the Program as outlined in the *Lender's Initial Certification of Applicant Eligibility*.
- c) The Lender acknowledges that a Program loan can only be used in conjunction with a fully amortized fixed-rate first mortgage for a home which is to be occupied by a first-time buyer as his/her primary residence and that Program applicants must accept the highest-ratio fixed rate loan for which they qualify.
- d) The Lender acknowledges that the *Lender's Initial Certification of Applicant Eligibility*, signed by the Lender and the applicant(s), must be submitted to the City in conjunction with **all applicable Ginnie Mae (FHA) or Fannie Mae forms. Lender must submit a current statement from HUD which authorizes the lender to originate home loans.**
- e) The Lender acknowledges that the City of Porterville will provide First Time Home Buyer's Training to the applicant. A Certificate of Completion will be issued by the City to the participant. This certificate will be necessary when the Lender submits a borrower's application to the City. Once the loan has been approved, the City of Porterville will submit to the Lender a *Reservation of Funds* form which will allow the applicant(s) to find an appropriate property within 60 days of receiving these documents. If escrow has not been initiated within that time period, the application and all preliminary approvals are null and void and a new application must be submitted with the lending institution.

f) The Lender agrees that the City will be notified immediately in the event the Applicant is found to be ineligible for participation in the Program or fails to qualify for a first mortgage loan.

g) The Lender agrees that final approval or denial of a Program Loan is at the sole discretion of the City.

h) The Lender agrees to provide all necessary documentation for opening of escrow. The City's loan will be placed into escrow at the time the Lender's original first trust deed loan is placed in escrow.

i) The Lender agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, marital status, or place of national origin. In this connection, the Lender agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

j) The Lender agrees that there shall be no discrimination against, or segregation of any persons, or group of persons on account of sex, marital status, race, color, religion, creed, national origin or ancestry for participation in the Program.

## SECTION 2.

The Lender agrees to indemnify and hold harmless the City and their officers, employees, and agents, against any and all losses, claims, damages, liabilities and expenses, including attorney's fees, arising from any act or omission of the Lender or any of its agents, employees or licensees due to the failure of part of the Lender to abide by the requirements of the Program requirements or the provisions of this Participation Agreement. In the event that any action or proceeding is brought against the City, the respect to which indemnity maybe sought hereunder, the Lender, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel satisfactory to the indemnified party and the payment of all expenses related thereto; provided, however, that the City shall have the right to review and approve or disapprove any compromise or settlement in connection with any such claim brought against it or proceeding to which it is party.

## SECTION 3.

The Lender acknowledges that the City is not reserving for the Lender any portion of the First Time Low Income Home Buyer Assistance Program appropriation and the City shall not have any liability or responsibility for any expenses incurred by the Lender in connection with the Lender's participation in the First Time Low Income Home Buyer Loan Program.

## SECTION 4.

This Participation Agreement shall be governed by the laws of the State of California.

## SECTION 5.

This Participation Agreement constitutes the entire agreement and supersedes any prior agreements and understandings, both written and oral, with the Lender with respect to the First Time Low Income Home Buyers Program.

SECTION 6.

This Participation Agreement may not be assigned by the Lender without the prior written consent of the City.

SECTION 7.

This Participation Agreement may be executed in several counterparts, each of which, shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8.

Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below.

SECTION 9.

The undersigned certifies that he or she is authorized to sign this Agreement on behalf of the Lender.

THIS AGREEMENT is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

LENDER: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

CITY OF PORTERVILLE – 291 N. Main Street, Porterville, CA 93257

Jason Ridenour

Name

\_\_\_\_\_  
Signature

Assistant City Manager

Title

\_\_\_\_\_  
Date

**NOTE TO LENDER: This contract must be submitted by mail with a copy of your HUD approval letter.**