

LENDER OR BROKER PARTICIPATION AGREEMENT

THIS AGREEMENT made and entered as of the ____ day of _____, 20____, by and between SANTA CLARA COUNTY, a public body corporate and politic, (hereinafter referred to as the "County") and:

_____ (hereinafter referred to as the "Lender or Broker")

WITNESSETH:

WHEREAS, the tax reform act of 1984 established the Mortgage Credit Certificate Program (hereinafter referred to as "MCC Program") as a means of assisting qualified individuals with the acquisition of new and existing single-family housing; and

WHEREAS, pursuant to Chapter 1399, Statutes of 1985 Section 50197, et seq. of the Health and Safety Code, local issuers are authorized to issue MCC's and administer MCC Programs; and

WHEREAS, by Resolution adopted on May 12, 1987 the Board of Supervisors of the County of Santa Clara has established the MCC Program and directed the County to administer the MCC Program pursuant to the applicable federal, state and local policies and procedures; and

WHEREAS, the cities of Campbell, Cupertino, Gilroy, Milpitas, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara and Sunnyvale, Los Altos and Los Gatos each have established an MCC Program and have adopted agreements with the County to administer the MCC Program for their respective jurisdiction and act as their Agent, and;

WHEREAS, the Lender or Broker wishes to participate in the MCC Program administered by the County in connection with the mortgage loans it will make available for the acquisition of new and existing single-family housing.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

1. The County hereby designates the Lender or Broker as its agent for receipt and processing of applications for MCC's under the County's Mortgage Credit Certificate Program. Non-funding lenders and loan officers will ensure that loans made in conjunction with an MCC will be forwarded to County approved MCC lenders, as stated in the temporary and permanent IRS regulations of the Internal Revenue code.
2. The Lender or Broker will make information regarding the MCC Program available to potential borrowers. The Lender or Broker will process and review the application for any potential borrower in order to determine eligibility for the Program.
3. The Lender or Broker will obtain from the borrower all documents and information required for the application for (and receipt of) an MCC as directed by the County.
4. The Lender or Broker will perform all investigation and verification that it would normally perform for underwriting a mortgage not provided in connection with an MCC.
5. The Lender or Broker will conduct such reasonable investigation as necessary to certify that the applicant has satisfied all requirements of the MCC Program, including those imposed by temporary and permanent regulations issued pursuant to the Internal Revenue Code and the County's eligibility requirements.
6. The Lender or Broker warrants that it is familiar with the Internal Revenue Code and all temporary and permanent regulations issued pursuant thereto applicable to the MCC Program as well as all provisions of state law applicable to the MCC Program and guidelines established by the County. The Lender and/or Broker hereby agrees to comply with all provisions of applicable federal and state law, and said regulations and guidelines.
7. The Lender or Broker will charge a potential borrower applying for an MCC only those reasonable fees as would be charged to a potential borrower applying for mortgages not provided in connection with an MCC.
8. Notwithstanding the provisions in Paragraph 7 above, the Lender or Broker may charge each borrower an application fee of \$275.00 for processing each MCC. Of this amount, \$200.00 is to be paid to the County of Santa Clara MCC Program with the Initial Submittal Phase.
9. The Lender or Broker hereby agrees that they will immediately forward all information which it may receive during the life of the mortgage loan which tends to indicate that misrepresentation was made in applying for an MCC, or that may affect the applicant's continued eligibility for an MCC.
10. The Lender or Broker hereby agrees they will immediately notify the County upon cancellation or rejection of a loan or determination of ineligibility, and will return the MCC Commitment (MCC-007) to the County.
11. The Lender or Broker hereby agrees to attend Santa Clara County's training seminar.
12. This Agreement shall remain in full force and effect until terminated. The Lender or Broker may terminate this agreement, without cause, upon sixty (60) days written notice to the County. Notwithstanding any such termination, the Lender or Broker shall file any and all reports required to be filed with the Internal Revenue Service and shall maintain all records required to be maintained by it pursuant to Section 25 of the Internal Revenue Code of 1986 and any regulations thereunder. The County may immediately terminate this agreement and prohibit the Lender or Broker from participating in the MCC Program upon Lender's/Broker's failure to comply with the terms and conditions of this Agreement and upon written notice by the County. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.

THIS AGREEMENT is entered into as of the day and year written above.

Comp. Name: _____

Address: _____

Telephone: _____

Fax: _____

Contact Person(s) _____

Contact E-Mail(s): _____

Signature of Lender or Broker _____

Title: _____

APPROVED AT SANTA CLARA COUNTY:

By: _____

Title: _____

Date: _____

A copy of your Broker's license or the license of the Broker for whom you are working and a check for \$150 dollars must accompany this Agreement. Please call the County at (408) 441-4323 if you have any questions.