



City Home Buyer Assistance Program Program Manual



Chicago Infrastructure Trust
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Program Summary by Loan Type

	FHA/VA Loans	Freddie Mac Loans
Loan Products	FHA-insured or VA-guaranteed Loans	Freddie Mac HFA Advantage SM up to 97% LTV
Type	Primary residence, owner-occupied. Purchase or no cash out refinance.	Primary residence, owner-occupied. Purchase or no cash out refinance.
Borrower Eligibility	No first-time homebuyer requirement	No first-time homebuyer requirement.
Property Eligibility	1-4 unit properties	1-unit properties only, including condominiums
Lenders	FHA- or VA-approved.	Freddie Mac-approved.
Loan Pricing	Rates are posted either by the Lender (servicing retained) or by the Servicer.	Lenders (servicing retained) and Servicers may price loans through Freddie Mac.
Servicing	Lenders may retain or sell the servicing rights via a correspondent or co-issue arrangement.	Lenders may retain or sell the servicing rights via a correspondent or co-issue arrangement.
Loan Underwriting	Minimum credit score, credit and underwriting per FHA or VA guidelines. No maximum debt to income ratio. Delegated underwriting.	Minimum credit score, credit and underwriting per Freddie Mac guidelines. Delegated underwriting.
Minimum Borrower Investment	Lesser of \$1,000 or 1% of the purchase price from Borrower's own resources.	Lesser of \$1,000 or 1% of the purchase price from Borrower's own resources.
Home Price Limits	None. FHA, VA loan limits apply.	None. Freddie Mac loan limits apply.
Income Limits	Not to exceed 115% of AMI, regardless of family size (currently \$87,400).	Not to exceed 175% of AMI, regardless of family size (currently \$133,000).
Grant	Up to 6% of the loan amount, may be applied towards cash to close including any up-front mortgage insurance fee.	Up to 7% of the loan amount, may be applied towards cash to close including any up-front mortgage insurance fee.
Grant Repayment	Pro rata repayment if property is sold or refinanced in the first 5 years.	Pro rata repayment if property is sold or refinanced in the first 5 years.
Additional Assistance	Lender (servicing retained) or Servicer may premium price to cover additional closing costs.	Lender (servicing retained) or Servicer may premium price to cover additional closing costs.
Grant Funding	Funded directly by CIT via wire transfer at the loan closing.	Advanced on behalf of the City by the Lender at the loan closing.
Homebuyer Education	Required for all first-time homebuyers from a City-approved counseling center.	Required for all first-time homebuyers from a City-approved counseling center.
Mortgage Insurance	Must comply with FHA, VA guidelines.	Must comply with Freddie Mac guidelines. Charter coverage required (18% coverage for 95.01-97 LTV, 16% for <=95 LTV).
Lender Compensation (from the Borrower)	Up to 1% origination fee, reasonable and customary fees.	Up to 1% origination fee, reasonable and customary fees.
Funding/Tax Service	As determined by Lender (servicing retained) or Servicer.	As determined by Lender (servicing retained) or Servicer.

Program Purpose

The City of Chicago Home Buyer Assistance Program (“Program”) facilitates the origination and servicing of qualified first mortgage loans that are either 1) insured by the Federal Housing Administration (“FHA”) or guaranteed by the United States Department of Veterans Affairs (“VA”) (collectively, the “FHA/VA Loans”), or 2) loans that qualify for the Freddie Mac HFA AdvantageSM Program (“Freddie Mac Loans”) of the Federal Home Loan Mortgage Corporation (“Freddie Mac”). The Program makes grants available for down payment and closing cost assistance (“Grants”) to qualified borrowers under the Program (“Borrowers”) pursuant to certain terms and conditions described in this Program Manual and the Program Guidelines attached in Appendix I, all as updated from time to time.

Chicago Infrastructure Trust

The Chicago Infrastructure Trust (“CIT”) is an Illinois not-for-profit corporation established by the City of Chicago (“City”) pursuant to an ordinance adopted by the City Council of the City. Consequently, CIT qualifies as an “instrumentality of government” in accordance with program guidelines for FHA/VA Loans and Freddie Mac Loans. This enables CIT to serve as a provider of Grants under the Program. Accordingly, any Grant amounts recaptured under the Program will be forwarded to and retained by CIT.

Program Funding

The FHA/VA Loans, the Freddie Mac Loans and a portion of the Grants will be funded through the sale of the originated mortgage loans into the secondary mortgage market. There is no up-front participation fee or cost to Lenders. Since the Program is not funded with tax-exempt bonds, many typical bond loan requirements do not apply. There is, for example:

- No federal recapture,
- No additional Affidavits,
- No purchase price limits; and
- Household income limits do not apply.

NOTE: Should bond financing once again become attractive relative to market mortgage rates, the City reserves the right to reintroduce these additional requirements as of a date certain for all new loan reservations, with no adverse impact on existing loan reservations.

Program Administration

Certain of the administrative functions of the Program will be delegated by the City and CIT to George K. Baum & Company (“GKB”), Cabrera Capital Markets, LLC (“Cabrera”) and Melvin Securities LLC (“Melvin”) pursuant to a Program Administration Agreement (collectively GKB, Cabrera, and Melvin are referred to herein as the “Administrators”). Amalgamated Bank of Chicago (“Amalgamated”) will serve as the initial trustee for CIT. Contact information is as follows:

	Primary Contact	Telephone Number	Email Address
Chicago Infrastructure Trust	Leslie Darling	(312) 809-8080	ldarling@chicagoinfrastructure.org
George K. Baum & Company	Marc Paskulin	(916) 486-2548	paskulin@gkbaum.com
Cabrera Capital Markets, LLC	Martin Cabrera	(312) 236-8888	mcabrera@cabreracapital.com
Melvin Securities LLC	Christopher Melvin	(312) 561-2339	cmelvin@melvinco.com
Amalgamated Bank of Chicago	Pamela Sumerall	(312) 822-8545	psumerall@aboc.com

Eligible Lenders

The term “Lender” is used in this Program Manual when a lending institution is acting in the capacity of originating and funding loans under this Program. Such Program Lenders must also comply with the following:

- FHA, VA and/or Freddie Mac approved.
- All Lenders must execute and deliver a Lender Participation Agreement, and by doing so, they must agree to the terms and conditions outlined in the attached Program Guidelines and in this Program Manual, as each may be updated and amended from time to time.
- All Lenders must have completed and signed an Economic Disclosure Statement. Any corporate entity that owns more than 7.5% of the Lender entity is required to also complete and sign its Economic Disclosure Statement in connection with the Program.
- Lenders that do not service their own loans must enter into a separate correspondent lending agreement with a Servicer.

Eligible Servicers

The term “Servicer” is used in this Program Manual in referring to a Lender who meets the above Eligible Lender criteria and also:

- Prices and services its own loans (servicing retained);
- Offers to price, purchase and service loans from other Program Lenders pursuant to a correspondent lending agreement with such Lender;
- Offers to only purchase the servicing rights from another Program Lender pursuant to a servicing transfer agreement.

The servicing of Freddie Mac Loans will require an update to the Lender’s Master Commitment Agreement with Freddie Mac and additional documentation, if applicable.

Borrower Eligibility

- Borrowers must meet the program income limits described below. Only the qualifying income of Borrowers on title – the income to be used for underwriting – will be applied against the Program income limits to determine compliance with the Program requirements.
- Borrowers must have a minimum representative/indicator credit score in accordance with FHA, VA or Freddie Mac guidelines.
- Borrowers must make the minimum Borrower investment described below.
- Borrowers must meet the qualifications for “Eligible Persons” set forth in Section 2-45-130 of the Municipal Code of Chicago described below.
- Borrowers need not be a first-time homebuyer. If Borrowers are first-time homebuyers, they must complete a homebuyer education course described below.
- Non-occupying co-borrowers and non-occupying co-signers are not permitted.
- At the time of the loan closing, the Borrower may not have an ownership interest in any other property.

Program Income Limits

- **FHA/VA Loans:** Not to exceed 115% of the Chicago Metropolitan Statistical Area median income (“AMI”), regardless of family size, or such other income limits approved by the City as announced by CIT.
- **Freddie Mac Loans:** Not to exceed 175% of AMI, regardless of family size, or such other income limits approved by the City as announced by CIT.
- Income limits are subject to annual update and revision by the City as announced by CIT.

Current Income Limits as of April 15, 2016

FHA/VA Loan Borrower Income Limit	\$87,400
Freddie Mac Loan Borrower Income Limit	\$133,000

Minimum Credit Score

FHA/VA Loans: The minimum representative/indicator credit score for Borrowers on title is the minimum required pursuant to FHA and VA credit and underwriting guidelines. Currently, the minimum credit score is 580 for FHA Loans at 96.5% of the purchase price.

Freddie Mac Loans: The minimum representative/indicator credit score for Borrowers on title is subject to Desktop Underwriter (DU), Loan Prospector (LP) and mortgage insurer requirements and approval. For loans that are manually underwritten, Freddie Mac and the mortgage insurers require a minimum representative/indicator credit score of 660 for purchases and 680 for no cash-out refinances, with a maximum debt-to-income ratio of 43%. At least one of the Borrowers must have a usable credit score for the application to be eligible under HFA AdvantageSM.

Minimum Borrower Investment

A Borrower must contribute the lesser of \$1,000 or 1% of the home purchase price (such amount may not be gifted) towards the costs of closing and down payment. The minimum contribution required may be in the form of earnest money, cash at closing or costs related to the transaction paid outside of closing.

City Employee Rules

The Program qualifies as an Eligible Program as set forth in under Section 2-45-130 of the Municipal Code of Chicago and Borrowers are subject to the rules for Eligible Persons defined therein.

The following employees and appointed officials of the City are not eligible to participate as Borrowers under the Program: any employee or appointed official who, during his/her tenure of employment or appointment, respectively, by the City (1) exercises or has exercised any contract management authority with respect to the Program, (2) is or was in a position to participate in a decision-making process with respect to the Program, or (3) gains or has gained confidential information with regard to the Program,

If an employee or appointed official of the City qualifies as an Eligible Person, the following shall also not be eligible to participate in the Program as Borrowers, Lenders or Servicers: (1) such employee's or official's spouse or domestic partner, and (2) any entity in which such employee or official has a “financial interest” (as defined below and in Section [2-156-010](#) of the Municipal Code of Chicago).

“Financial interest” means an interest held by an official or employee that is valued or capable of valuation in monetary terms with a current value of more than \$1,000.00, provided that such interest shall not include: (1) the authorized compensation paid to an official or employee for any office or employment; or (2) a time or demand deposit in a financial institution; or (3) an endowment or insurance policy or annuity contract purchased from an insurance company; or (4) any ownership through purchase at fair market value or inheritance of the shares of a mutual fund corporation, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; or (5) any ownership through purchase at fair market value or inheritance of not more than one-half of one percent of the outstanding common stock of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended.

Homebuyer Education

Homebuyer education is required for all Borrowers on title who are first-time homebuyers. Borrowers may attend local homebuyer education courses with counseling centers approved by the City. Online homebuyer education courses are not permitted. For a list of approved homebuyer counselors, please refer to the City’s homebuyer counseling web site at:

http://www.cityofchicago.org/city/en/depts/dcd/supp_info/homeownership_housingcounselingcenters.html.

Transaction Types

- Purchase transactions only.
- No cash-out refinancing is permitted pursuant to FHA, VA, Freddie Mac and mortgage insurer guidelines.

Eligible Properties

- FHA/VA Loans: owner-occupied 1-4 unit properties, including condominiums, within the City of Chicago. Manufactured homes are ineligible.
- Freddie Mac Loans: owner-occupied 1-unit properties only, including condominiums, within the City of Chicago. Manufactured homes are ineligible.

Condominium eligibility is subject to FHA, VA and Freddie Mac approval.

Grant Amounts

- FHA/VA Loans: Borrowers are eligible to receive a Grant of up to 6% of the final loan amount.
- Freddie Mac Loans: Borrowers are eligible to receive a Grant of up to 7% of the final loan amount.

Grant Terms

- The Grant may be used to fund up to 100% of the down payment and closing costs required to close, subject to any minimum Borrower contribution as required herein, including any Borrower paid or Lender paid up-front mortgage insurance fee.
- The Borrower must sign a Recapture Mortgage in the form attached in Appendix V, by which in exchange for the amount of financial assistance provided, the Borrower agrees to repay a *pro rata* portion of the original Grant amount under the following conditions:

- The Borrower sells the property within five years of the loan closing.
 - The Borrower refinances the original mortgage loan within five years of loan closing.
 - The Borrower has violated any terms specified in the Recapture Mortgage.
 - The repayment amount due is reduced by 1/60th for each full month the Borrower resides in the purchased home from the month in which the loan closed. Partial months do not count towards reduction of the repayment amount.
 - After the five-year period has expired, the obligations of the Recapture Mortgage are released.
- The signed Recapture Mortgage must be recorded.
 - The Program Grant qualifies for an exemption under CFPB/TRID disclosure requirements and therefore is exempt from any additional disclosures to the Borrowers. Lenders should consult their compliance department to determine if a pre-TRID Truth in Lending Statement or any other form or disclosure to the Borrower is required.

Grant Funding at the Loan Closing

- FHA/VA Loans:
 - Within 3 business days of the scheduled loan closing, Lenders must complete a CIT Wire Transfer Request in the form attached in Appendix IV and submit the form to CIT.
 - The Grant funding transfer request will be forwarded to CIT, who will arrange for the wire transfer by Amalgamated of the Grant proceeds for receipt by the morning of the loan closing date.
 - In the event the loan does not close or is postponed indefinitely/longer than 5 business days, the Grant amount must be wired back to the Trustee the next business day. If the closing has been postponed (for no longer than 5 business days), the Grant funds may remain with the escrow company but the Lender must notify CIT of the extended closing date.
- Freddie Mac Loans: the Grant will be advanced by the Lender at the loan closing on behalf of the City for the benefit of the Borrower.

Grant Reimbursement and Program Fee Payment

- On the fifth business day of each month, for all Program loans for which post-closing documents were received by the Administrators in the preceding calendar month, GKB shall invoice each Servicer for the amount of the Grants advanced by CIT to be reimbursed back to CIT to replenish its Grant revolving fund, together with the per-loan fee due as the Program Fee.
- Payments due shall be wired within 10 business days at CIT's direction per the wire transfer instructions in the invoice.

NOTE: If a Lender fails to sell a closed loan to the designated Servicer pursuant to its correspondent lender agreement with such Servicer, the Lender will be billed for the Program Fee and for reimbursement of the Grant if it was advanced by CIT.

Grant Repayments - Servicer Obligations

In the event that there is a repayment due from the Borrower as specified in the Recapture Mortgage and a request for a payoff calculation has been made, the Servicer shall notify CIT of such payoff amount. The Servicer is not obligated to provide any legal services to secure the debt obligation regarding either foreclosure or bankruptcy proceedings for CIT except by mutual agreement.

Representations and Warranties Relief (Freddie Mac Loans)

Servicers may submit Freddie Mac Loans to Freddie Mac for a quality control review, at which time Freddie Mac may extend representations and warranties relief on the underlying Freddie Mac Loans. Servicers should contact their Freddie Mac representative for additional details.

Loan Pricing

- Lenders will submit rate locks and reservation requests on a “best efforts” basis through a Servicer or directly in their capacity as Servicer for their own loans.
- Servicers may price their loans directly through the secondary mortgage market for FHA/VA Loans or through the Freddie Mac Cash Window for Freddie Mac Loans.

Servicers must complete the Rate Calculation Worksheet attached in Appendix II and account for the following:

- Estimated mortgage servicing value of the retained servicing rights, if applicable.
- The servicing release premium the Servicer intends to pay to Lenders, if any.
- Confirm that the loan pricing has budgeted for CIT’s Program Fee.
- Any other price or rate adjustments as instructed by or on behalf of CIT.

Once the assumptions to the Rate Calculation Worksheets have been established, the Servicer shall prepare a Program Rate Sheet for daily posting to Lenders, a sample of which has been provided in Appendix III. The Servicer shall add GKB to the daily distribution list for the Program Rate Sheets.

Once the Rate Calculation Worksheets have been agreed to, the Administrators reserve the right to periodically confirm or cause to be confirmed that the loan rate and Grant options posted daily in the Program Rate Sheets are consistent with the Rate Calculation Worksheets and the agreed-upon terms and assumptions. Failure by Servicers to price loans in conformance with terms disclosed in the Rate Calculation Worksheet may result in the suspension or termination of eligibility of such Servicer for participation in the Program.

Loan Types

- FHA/VA Loans: FHA insured 203(b), 203(b)(2), 203(k) streamlined and standard, 203(h), 234 (c) and VA guaranteed. For FHA 203(k), the Servicer will be responsible for administering the escrowed funds and overseeing the property rehabilitation. 30-year fixed terms only.
- Freddie Mac Loans: Home Possible Advantage First Loans for HFAs (*HFA AdvantageSM*), 30-year fixed terms only.

Loan Underwriting

- Minimum credit scores per FHA, VA or Freddie Mac guidelines, no required reserves, no debt to income ratio limits. All loans are subject to FHA, VA or Freddie Mac guidelines, as applicable. Full delegated underwriting authority to participating Lenders; no re-underwriting.

- FHA/VA Loans: manual underwriting is permitted subject to FHA and VA guidelines.
- Freddie Mac Loans: manual underwriting is permitted subject to Freddie Mac guidelines. Minimum credit scores are 660 for purchases and 680 for no cash out refinances, Maximum Debt-to-Income ratio of 43% is permitted. At least one of the Borrowers must have a usable credit score for the application to be eligible under *HFA AdvantageSM*.
- Lenders and Servicers may impose their own credit and underwriting overlays and restrictions for their own loans or for purchased loans.

Loan Rates, Grant Options, Rate Locks

Loan rate and Grant options will be determined by each Servicer subject to its disclosure to the Administrators of how such loans will be posted to the Program Rate Sheets in accordance with the assumptions used in the Rate Calculation Worksheets. Loan reservations will be made available by the Servicers through their own online lender portals. Servicers will do the following:

- Post the Program Rate Sheet containing the loan rate options and the corresponding Grant percentages daily between designated times during standard business hours.
- Determine the number of loan rate and Grant options by loan product.
- Once a loan reservation has been locked in by the Lender, the reservation also is a confirmation of the Grant amount to be provided, whether such Grant is to be advanced by CIT or advanced by the Lender.

NOTE: The City, CIT, and the Administrators are not involved in, nor responsible for, the pricing, the hedging and ultimate delivery of any Program loans into the secondary mortgage market.

Program Compliance Package and Review

Within 20 business days from the loan closing, the Lender is responsible for providing GKB with the following documents:

- Program Compliance Checklist
- FHA or Freddie Mac Loan Underwriter and Transmittal Summary
- Signed and recorded Recapture Mortgage
- Homebuyer Training Certificate (first-time homebuyers only) from City-approved agency
- Signed Borrower's Acknowledgment

Program Fees

- Servicing Fees (Paid to Servicer): The ongoing servicing fees as determined by GNMA and Freddie Mac, deducted from the monthly mortgage payments from Borrowers, paid to and retained by the Servicer. These servicing fees range from 19 basis points to 62.5 basis points for FHA/VA Loans, depending on the loan rate, and 70 basis points for Freddie Mac Loans. From those fees, the Servicer is responsible for paying a 6 basis point Guarantee Fee (Guar Fee) to GNMA and a 45 basis points to Freddie Mac (Add On Fee), both of which are listed separately in the Rate Calculation Worksheets.
- Servicing Release Fee (Paid by Servicer): The servicing release fee (SRFs) in percentage terms is paid by the Servicer in exchange for the rights to receive the ongoing Servicing Fees. These SRPs are disclosed in the pricing used in the Rate Calculation Worksheets.
- Servicing Release Premiums (Lender Compensation). The servicing release premium (SRPs), in percentage terms, paid by the Servicer to the Lender in exchange for the purchase and servicing rights

- for loans originated and funded by such Lender. Such SRP shall not exceed 1.5% of the final loan amount.
- Origination Fee (Paid by Borrower): The origination fee, in percentage terms, is paid by the Borrower to the Lender as compensation for the origination, underwriting and funding of the loan. The origination fee may not exceed 1% of the final loan amount.
- Program Fee: The Program Fee, in percentage terms, is the fee payable pursuant to the invoice within 10 business days. The Program Fee shall be equal to 1.25% of the final loan amount.
- Additional Lender Fees (Paid by Borrower). Additional per loan fees, most of which are fixed, are charged to the Borrower by the Lender for all loan related services, such as title, appraisals, inspections, document preparation and credit reports. Lenders are required to charge such fees that are deemed “customary and reasonable” within the mortgage industry for these loan types.

Reporting Requirements

Servicers will be required to provide the Administrators with basic loan information once available on a weekly basis as loans are reserved, closed and sold. The loan data may be provided through an online portal or with an excel spreadsheet submitted weekly to GKB. The required fields are as follows:

- Borrower Name
- Property Address
- Mortgage Loan Amount
- Loan Rate
- Grant Amount
- Reservation Date
- Estimated Closing Date
- Qualifying Income
- Representative/Indicator Credit Score
- Loan Status (application received, approved with conditions, closed loan, etc.)
- Program Fee (1.25% of the final loan amount)
- Borrower Race
- Number of Units
- Loan Type (FHA/VA or Freddie Mac)
- Sale or Refinance

Other Assistance Programs

Assistance under the Program may be combined with any other City subsidies or assistance provided that the Borrower qualifies for all eligibility terms and conditions as set forth in this Program Manual and the Program Guidelines as well as for those eligibility terms and conditions required for the additional subsidy or assistance.

This Program Manual and the Program Guidelines shall be updated and amended from time to time.



**CITY HOME BUYER ASSISTANCE PROGRAM
PROGRAM MANUAL**

APPENDIX I

PROGRAM GUIDELINES

See attached



Home Buyer Assistance Program
(FHA/VA Loans and Freddie Mac Eligible Loans)
2016 Program Guidelines

Program Sponsor	Chicago Infrastructure Trust (“CIT”), an Illinois not-for-profit corporation established by the City of Chicago (“City”).
Program Purpose	Provide down payment and closing cost assistance for qualified Borrowers in connection with FHA, VA and Freddie Mac eligible loan financing for properties within the City limits.
Program Administrators	Collectively, George K. Baum & Company, Cabrera Capital Markets, LLC, Melvin Securities LLC.
Program Funding	Funding is available to all participating Lenders and eligible Borrowers on a first-come, first-served basis. The City reserves the right to suspend the Program at any time with no impact to reserved loans and with notice to Lenders.
Eligible Lenders	FHA-, VA- or Freddie Mac approved. Each eligible Lender as originating lender and/or as servicer must sign a Lender Participation Agreement and submit a City Economic Disclosure Statement. Direct participation by brokers and third party originators is not permitted.
Servicer and Transfer of Servicing Rights	Originating Lenders have the right to service their own loans or to sell the loans and/or transfer the servicing rights to another qualified Lender per FHA, VA or Freddie Mac guidelines subject to the terms of the Lender Participation Agreement (the “Servicer”).
Eligible Loan Area	Program is available throughout the City limits.
Occupancy	Primary residence only. Borrowers must comply with Borrower eligibility requirements per FHA, VA, HUD or Freddie Mac guidelines and must occupy the property within 60 days of loan closing.
Eligible Borrowers	<p>Borrowers must meet the Program income limits. Only the qualifying income of Borrowers on title – the income to be used for underwriting – will be applied against the program income limits to determine eligibility.</p> <p>Borrowers must have a minimum representative/indicator credit score in accordance with FHA, VA or Freddie Mac and mortgage insurer guidelines.</p> <p>Borrowers must meet the qualifications for “Eligible Persons” set forth in Section 2-45-130 of the Municipal Code of Chicago (see Program Manual page 5 <i>City Employee Rules</i> section).</p> <p>Borrowers need <u>not</u> be a first-time homebuyer. If Borrowers are first-time homebuyers, they must complete a City approved HUD-certified Homebuyer Education Course and receive a Certificate of Completion.</p> <p>Non-occupying co-borrowers and non-occupying co-signers are not permitted.</p> <p>At the time of the loan closing, the Borrower may not own an ownership interest in another property.</p>
Eligible Properties	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: owner-occupied 1-4 unit properties, including condominiums. Manufactured homes are ineligible. • <u>Freddie Mac Loans</u>: owner-occupied 1-unit properties only, including condominiums. Manufactured homes are ineligible. <p>Condominium eligibility is subject to FHA, VA and Freddie Mac approval.</p>

Program Income Limits	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: Currently, qualifying annualized income of up to \$87,400, regardless of family size, as reported in the FHA Underwriting and Transmittal Summary and used for underwriting purposes, or such other income limits approved by the Program Sponsor. • <u>Freddie Mac Loans</u>: Currently, qualifying annualized income of up to \$133,000, regardless of family size, as reported in the Freddie Mac Underwriting and Transmittal Summary and used for underwriting purposes, or such other income limits approved by the program Sponsor. <p>Household income does not apply. Income limits are subject to annual update and revision by the Program Sponsor.</p>
Borrower Investment	A Borrower must contribute a minimum the lesser of \$1,000 or 1% of the home purchase price from their own funds (may not be gifted). The contribution can be in the form of earnest money, cash at closing or costs related to the transaction paid outside of closing if identified on the HUD-1 Settlement Statement.
Credit Scores	Minimum representative/indicator credit score or equivalent per Lender and FHA, VA, Freddie Mac and mortgage insurer guidelines.
Lender Overlays	Lenders must notify the Program Sponsor of their own credit and underwriting overlays as long as such overlays do not exceed the limits set forth herein by the Program Sponsor.

Qualified Mortgage Loan Terms and Guidelines

Mortgage Loan Types	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: FHA 203(b), 203(b)(2), 203(k) streamlined and standard, 203(h), 234 (c), VA- guaranteed. For 203(k), the Lender will be responsible for administering the escrowed funds and oversee the property rehabilitation. • Fannie Mae <i>HFA PreferredSM</i> loans approved through Desktop Underwriter (DU) are eligible for purchase by Freddie Mac subject to certain restrictions. • <u>Freddie Mac Loans</u>: Freddie Mac <i>Home Possible Advantage for HFAs (HFA AdvantageSM)</i>. • Standard Fannie Mae and Freddie Mac Loan products are <u>not</u> available.
Mortgage Loan Limits	FHA, VA, Freddie Mac mortgage loan limits apply. There are no purchase price limits.
Transaction Type	Purchase transactions and no cash-out refinancing are permitted pursuant to FHA, VA and Freddie Mac guidelines.
Loan Terms	30-year fixed rate fully amortizing loans only.
Mortgage Loan Rates, Grant Options	<p>Loan rate and grant options will be determined by each Servicer subject to its disclosure to the Program Administrator of how such Qualified Mortgage Loans will be priced in accordance with their loan Rate Calculation Worksheets. Loan reservations will be made available to Lenders by the Servicers through their own online lender portals. Servicers will be asked to do the following:</p> <p>Post loan rate options and the corresponding Grant percentages daily between designated times during standard business hours.</p> <p>Determine the number of loan rate and Grant options by loan product.</p> <p>Once a loan reservation has been locked in by the originating Lender, that reservation also is a confirmation of the Grant amount to be provided, whether such Grant is to be funded by the Program Sponsor directly or advanced by the Lender.</p> <p>NOTE: Neither the Program Sponsor nor the Program Administrator are involved in, nor responsible for, the pricing, the hedging and ultimate delivery of the Qualified Mortgage Loans into the secondary mortgage market.</p>
Loan Discounts	Loan discounts charged to the Borrower are permitted.

Mortgage Loan Underwriting/Ratios/Reserves	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: must be underwritten in accordance with FHA or VA underwriting guidelines subject to any overlays by Lenders and Lender/Serviceirs. • <u>Fannie Mae Loans</u>: available through Desktop Underwriter (DU) subject to an Approve/Eligible and any Freddie Mac restrictions. • <u>Freddie Mac Loans</u>: available through Loan Prospector (LP) by selecting “Home Possible Advantage for HFAs” option. Must receive a Risk Class of “Accept”. Lenders may ignore purchase eligibility message of “000 Freddie Mac ineligible”. <p>Certain Ability to Repay/Qualified Mortgage restrictions imposed by the Consumer Financial Protection Bureau do not apply for any Mortgage Loan Program administered by a unit of government regardless of the funding source.</p>
Manual Underwriting	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: Permitted subject to FHA and VA guidelines subject to Lender approval. • <u>Freddie Mac Loans</u>: Manual underwriting is permitted under <i>HFA AdvantageSM</i>. Minimum representative/indicator credit scores or equivalent are 660 for purchases and 680 for no cash out refinances, with a maximum debt-to-income ratio of 43%. At least one of the Borrowers must have a usable credit score for the application to be eligible under <i>HFA AdvantageSM</i>.
Mortgage Insurance	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: Per FHA and VA guidelines. • <u>Freddie Mac Loans</u>: <i>HFA AdvantageSM</i> requires <u>charter</u> coverage from Freddie Mac approved mortgage insurers: 18% coverage for 95.01-97 loans; 16% coverage for loan LTV up to 95%. Monthly, split and single Borrower paid or Lender paid mortgage insurance premiums are permitted from any Freddie Mac approved mortgage insurer. Grant proceeds may be used to fund an up-front single or split MI fee. Please refer to the appropriate rate cards for <i>HFA AdvantageSM</i> for each mortgage insurer.
Buydowns	Temporary buydowns are permitted per FHA, VA and Freddie Mac guidelines, but the Grant proceeds cannot be used for such purpose.
Home Buyer Education	Required for Borrowers on title who are first-time home buyers. Borrowers must attend local home buyer education courses with counseling centers approved by the City. A Homebuyer Education Certificate of Completion in the Borrower’s name is a condition for the loan to close. Please refer to the City’s home buyer counseling web site at: http://www.cityofchicago.org/city/en/depts/dcd/supp_info/homeownership_housingcounselingcenters.html for a list of approved home buyer counselors.

Servicing Requirements

Servicing Obligations	FHA/VA Loans and Freddie Mac Loans must be serviced in accordance with FHA, VA or Freddie Mac servicing and all federal and state regulatory guidelines.
Servicing Fees	19-69 basis point servicing fee for FHA/VA Loans; 25 basis points for Freddie Mac Loans.
Servicing Release Premiums (SRP)	If servicing is sold, transferred or assigned, servicing release premiums will be determined by purchasing Servicer.

Borrower Grants

Borrower Grants Sponsored by the City of Chicago through CIT	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: Grant of any amount up to 6% of the final loan amount. Actual Borrower Grant options will be represented on the daily Program Rate Sheets and are subject to change. • <u>Freddie Mac Loans</u>: Grant of any amount up to 7% of the final loan amount. Actual Borrower Grant options will be represented on the daily Program Rate Sheets and are subject to change.
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	<ul style="list-style-type: none"> • For purchase transactions, Grant proceeds may be applied towards the Borrower’s down payment or closing costs, subject to the minimum Borrower contribution as set forth herein. Other than earnest money reimbursement, or items paid by the Borrower outside of closing, there can be no cash back to the Borrower. • For refinance transactions, Grant proceeds may be applied towards the closing costs or to prepay the existing loan if such balance is greater than the new appraised value. • The Grant must be identified on the HUD-1 settlement statement as a “CIT/City of Chicago Grant”. For HUD’s FHA Loan Underwriting and Transmittal Summary, the City’s EIN is 36-6005820. • For Freddie Mac loans, the Grant may be entered in the “Total Gift Fund” field within Loan Prospector.
Borrower Assistance Repayment Terms and Forgiveness	<p>The Grant amount is subject to repayment, with no accrued interest, if the property is sold or if the loan is refinanced within five (5) years from the loan closing date. The amount due shall be reduced pro rata for each full month (60 months) the Borrower remained in the home prior to the sale/refinancing (no reduction is given for partial months). After the five (5) year anniversary, the repayment obligation shall be forgiven in full and the subordinate lien released free and clear.</p> <p>For all Grants, Borrower must sign a Recapture Mortgage and a Borrower Acknowledgement.</p>
Closing Cost Assistance	Lender may offer additional premium pricing or pricing concessions from Freddie Mac to the Borrower, to be advanced by the Lender, towards the Borrower’s Closing Costs, Financing Cost and Prepays/Escrows as defined by Freddie Mac. These funds may not be used for down payment, reserves or counted toward the required minimum Borrower contribution.
Other Assistance	<ul style="list-style-type: none"> • Program may be combined with the City’s TaxSmart Mortgage Credit Certificate (MCC), but only for purchase transactions, provided that the Borrower qualifies for all terms and conditions as set forth in these Program Guidelines and the MCC Description. • Program may be combined with any other City of Chicago subsidy or assistance provided that the Borrower qualifies for these Program Guidelines and those required for the additional subsidy or assistance.

Funding and Compliance Procedures, Mortgage Loan Purchase Price

Pre-Closing Grant Funding Request	<p><u>FHA/VA Loans</u>: With a minimum 3 business day notice, Lenders must email the Sponsor with the Grant Funding/Wire Transfer Request Form. The Lender must provide basic loan and Borrower information and certify that the Borrower Eligibility Worksheet has been completed evidencing that the Borrower is qualified under the Program.</p> <p><u>Freddie Mac Loans</u>: The Lender is required to advance the Grant amount at the loan closing on behalf of the CIT for the benefit of the Borrower. The Lender must provide basic loan and Borrower information and certify that the Borrower Eligibility Worksheet has been completed evidencing that the Borrower is qualified under the Program.</p>
Post-Closing Mortgage Loan File	<p>Within 20 business days from the loan closing, the Servicer is responsible for emailing the Administrator with the following documents:</p> <ul style="list-style-type: none"> ✓ FHA or Freddie Mac Underwriting and Transmittal Summary ✓ Signed and recorded Recapture Mortgage ✓ Assignment Agreement (Freddie Mac Loans) ✓ Signed Borrower Acknowledgement ✓ Homebuyer Education Course Certificate of Completion, if a first-time homebuyer.

Grant Reimbursement and Loan Purchase Price	<ul style="list-style-type: none"> • <u>FHA/VA Loans</u>: Upon purchase by the Servicer, Lender will be paid the par amount of the loan, plus the applicable servicing release premium, plus any closing cost assistance authorized by the Servicer, less any Program or Servicer fees. • <u>Freddie Mac Loans</u>: Upon purchase by the Servicer, Lender will be paid the par amount of the First Loan, the reimbursement of the advanced Grant, plus any closing costs assistance authorized by the Servicer, plus the applicable servicing release premium, less any Program or Servicer fees.
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Lender Compensation and Seller Contributions

Lender Compensation	<ul style="list-style-type: none"> • Lenders may charge the Borrower and retain an origination fee of up to 1%. • Reasonable and customary fees and closing costs, as long as such compensation payments are fully disclosed to the Borrower in accordance with federal, state and local laws and regulations and approved by the Administrator.
Seller Contribution	Permitted subject to FHA, VA, Freddie Mac guidelines.

Program Sponsor	Leslie Darling, Executive Director, Chicago Infrastructure Trust Telephone: (312) 809-8080 Email: ldarling@chicagoinfrastructure.org
Program Administrator (Primary Contact)	Marc Paskulin, George K. Baum & Company Telephone: (916) 486-2548 (OFC) Email: paskulin@gkbaum.com [REDACTED]
Guideline Updates	These Program Guidelines will be updated from time to time.



**CITY HOME BUYER ASSISTANCE PROGRAM
Program Manual
Appendix IIA – Rate Calculation Worksheet for FHA/VA Loans**

See attached

City of Chicago Homebuyer Assistance Program Rate Calculation Worksheet (FHA and VA Loans) As of 4/15/16

Servicing Fees within each GNMA Pool	Servicing Release Fee (SRF)
19 basis points	-0.25%
31.5 basis points	0.25%
44 basis points	0.75%
56.5 basis points	1.25%
.378% Avg MSR	0.50% Avg SRP

Loan Reservation Date: 4/15/16

70 Day Loan Sale to Servicer: 6/24/16

Latest GNMA TBA Settlement: 7/21/16

Loan Rate Calculations					TBA Price			Less Fees and Lender Compensation				Grant Options				
Loan Rate	Svc Fee	Guar Fee	GNMA Type	MBS Coupon	GNMA Price	Est SRF	Total Price	Program Fee	Lender SRP [1]	Hedge Adj	Net Price	3.00% DPA	4.00% DPA	5.00% DPA	6.00% DPA	7.00% DPA
4.000%	0.440%	0.060%	G2SF	3.500%	105.313%	0.75%	106.063%	-1.25%	-1.50%	0.00%	103.313%	100.31%				
4.125%	0.565%	0.060%	G2SF	3.500%	105.313%	1.25%	106.563%	-1.25%	-1.50%	0.00%	103.813%	100.81%				
4.250%	0.190%	0.060%	G2SF	4.000%	106.563%	-0.25%	106.313%	-1.25%	-1.50%	0.00%	103.563%	100.56%	99.56%	98.56%	97.56%	96.56%
4.375%	0.315%	0.060%	G2SF	4.000%	106.563%	0.25%	106.813%	-1.25%	-1.50%	0.00%	104.063%	101.06%	100.06%	99.06%	98.06%	97.06%
4.500%	0.440%	0.060%	G2SF	4.000%	106.563%	0.75%	107.313%	-1.25%	-1.50%	0.00%	104.563%	101.56%	100.56%	99.56%	98.56%	97.56%
4.625%	0.565%	0.060%	G2SF	4.000%	106.563%	1.25%	107.813%	-1.25%	-1.50%	0.00%	105.063%	102.06%	101.06%	100.06%	99.06%	98.06%
4.750%	0.190%	0.060%	G2SF	4.500%	106.953%	-0.25%	106.703%	-1.25%	-1.50%	0.00%	103.953%	100.95%	99.95%	98.95%	97.95%	96.95%
4.875%	0.315%	0.060%	G2SF	4.500%	106.953%	0.25%	107.203%	-1.25%	-1.50%	0.00%	104.453%	101.45%	100.45%	99.45%	98.45%	97.45%
5.000%	0.440%	0.060%	G1SF	4.500%	108.234%	0.75%	108.984%	-1.25%	-1.50%	0.00%	106.234%	103.23%	102.23%	101.23%	100.23%	99.23%
5.125%	0.565%	0.060%	G2SF	4.500%	106.953%	1.25%	108.203%	-1.25%	-1.50%	0.00%	105.453%	102.45%	101.45%	100.45%	99.45%	98.45%
5.250%	0.190%	0.060%	G1SF	5.000%	108.031%	-0.25%	107.781%	-1.25%	-1.50%	0.00%	105.031%	102.03%	101.03%	100.03%	99.03%	98.03%
5.375%	0.315%	0.060%	G2SF	5.000%	108.031%	0.75%	108.781%	-1.25%	-1.50%	0.00%	106.031%	103.03%	102.03%	101.03%	100.03%	99.03%
5.500%	0.440%	0.060%	G1SF	5.000%	108.031%	1.25%	109.281%	-1.25%	-1.50%	0.00%	106.531%	103.53%	102.53%	101.53%	100.53%	99.53%
Avg MSR	0.378%				Avg SRP	0.500%										

[1] paid by Servicer to Lender.

Seller/Servicer certifies that it will use the highest obtainable daily prices for such Program Loans as are available on any business day in the "To Be Announced" (TBA) mortgage market or through any other market sources, and that all other assumptions and expenses listed in this spreadsheet shall be used as the basis for how the Mortgage Loan rates shall be calculated for any given Grant option and shall remain in effect for as long as such Mortgage Loan rates are posted and made available to Borrowers.

Seller/Servicer Representative: _____

GKB Representative: _____



**CITY HOME BUYER ASSISTANCE PROGRAM
Program Manual
Appendix IIB – Rate Calculation Worksheet for Freddie Mac Loans**

See attached

**City of Chicago Homebuyer Assistance Program
Rate Calculation Worksheet (Freddie Mac HFA Advantage)
As of 4/15/16**

Freddie Mac HFA Advantage (Cash Window Pricing)

Loan Reservation Date	4/15/16	70 Day Loan Sale to Servicer	6/24/16
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Loan Rate Calculations		Cash Window			Less Fees, Lender Comp				Grant Options				
Adj Rate	CW Rate	CW Price	Min SRF [1]	Total Price	Program Fee	Lender SRP [2]	Freddie Price Adj	Net Price	Less 3% 2nd	Less 4% 2nd	Less 5% 2nd	Less 6% 2nd	Less 7% 2nd
4.250%	4.250%	104.415%	0.250%	104.665%	-1.25%	-1.0%	0.172%	102.587%	99.59%	98.59%	97.59%	96.59%	95.59%
4.375%	4.375%	104.899%	0.250%	105.149%	-1.25%	-1.0%	0.172%	103.071%	100.07%	99.07%	98.07%	97.07%	96.07%
4.500%	4.500%	105.162%	0.250%	105.412%	-1.25%	-1.0%	0.109%	103.271%	100.27%	99.27%	98.27%	97.27%	96.27%
4.625%	4.625%	105.804%	0.250%	106.054%	-1.25%	-1.0%	0.109%	103.913%	100.91%	99.91%	98.91%	97.91%	96.91%
4.750%	4.750%	106.376%	0.250%	106.626%	-1.25%	-1.0%	0.109%	104.485%	101.49%	100.49%	99.49%	98.49%	97.49%
4.875%	4.875%	106.825%	0.250%	107.075%	-1.25%	-1.0%	0.109%	104.934%	101.93%	100.93%	99.93%	98.93%	97.93%
5.000%	5.000%	107.389%	0.250%	107.639%	-1.25%	-1.0%	0.125%	105.514%	102.51%	101.51%	100.51%	99.51%	98.51%
5.125%	5.125%	108.042%	0.250%	108.292%	-1.25%	-1.0%	0.125%	106.167%	103.17%	102.17%	101.17%	100.17%	99.17%
5.250%	5.250%	108.581%	0.250%	108.831%	-1.25%	-1.0%	0.125%	106.706%	103.71%	102.71%	101.71%	100.71%	99.71%
5.375%	5.375%	109.000%	0.250%	109.250%	-1.25%	-1.0%	0.125%	107.125%	104.13%	103.13%	102.13%	101.13%	100.13%
5.500%	5.500%	108.250%	0.250%	108.500%	-1.25%	-1.0%	0.125%	106.375%	103.38%	102.38%	101.38%	100.38%	99.38%

[1] Servicing Release Fee paid by Servicer

[2] Servicing Release Premium (SRP) paid by Servicer to Lender

Freddie Mac Per Loan Mark-Ups

Loan Rate	Up to \$85K	Up to \$110K	Up to \$150K	Up to \$175K
4.000%	0.969%	0.813%	0.594%	0.375%
4.125%	0.969%	0.813%	0.594%	0.375%
4.250%	0.969%	0.813%	0.594%	0.375%
4.375%	0.969%	0.813%	0.594%	0.375%
4.500%	1.484%	1.266%	0.922%	0.484%
4.625%	1.484%	1.266%	0.922%	0.484%
4.750%	1.484%	1.266%	0.922%	0.484%
4.875%	1.484%	1.266%	0.922%	0.484%
5.000%	1.719%	1.500%	1.063%	0.594%
5.125%	1.719%	1.500%	1.063%	0.594%
>5.125%	1.719%	1.500%	1.063%	0.594%

Lender certifies that it will use the highest obtainable daily prices for such Program Mortgage Loans as are available on any business day in the "To Be Announced" (TBA) mortgage market or through the Freddie Mac Cash Window, and that all other assumptions and expenses listed in this spreadsheet shall be used as the basis for how the Mortgage Loan rates shall be calculated for any given Grant option and shall remain in effect for as long as such Mortgage Loan rates are posted and made available to Borrowers.

Lender Representative: _____

GKB Representative: _____



**CITY HOME BUYER ASSISTANCE PROGRAM
Program Manual
Appendix III – Sample Program Rate Sheet**

See attached



City Home Buyer Assistance Program

Government Loan Pricing and Grant Options

Program Rate Sheet (Correspondent Lending)

4/15/16

Eligible Loans	Loan LTV	Loan Terms	Loan Rates	Grant Amount [1]	Purchase Deadline [2]	Loan Discount Fee	Lender SRP [3]	Origination Fee [4]
FHA, VA	96.5% FHA 100% VA	30 Year Fixed	4.625% 5.000%	5.00% 6.00%	6/24/2016	0.00% 0.00%	1.500% 1.500%	Up to 1%

Freddie Mac HFA Advantage Pricing and Grant Options

Program Rate Sheet

4/15/16

Eligible Loans	Loan LTV	Loan Terms	Loan Rates	Grant Amount [1]	Purchase Deadline [2]	Loan Discount Fee	Lender SRP [3]	Origination Fee [4]
<i>Home Possible for HFAs</i>	Up to 97%	30 Year Fixed	3.875%	0.00%	6/24/2016	0.00%	101.500%	Up to 1%
			4.375%	3.00%				
			4.875%	5.00%				
			5.125%	6.00%				
			5.375%	7.00%				

[1] Grant Amount is sized as a percentage of the final First Loan Amount, with a 5 year recapture

[2] Loans must be purchased and funded by the [Seller/Servicer] within 70 days of the loan reservation. Lenders may offer a rate lock to the Borrower as long as it provides enough time for delivery and ultimate funding by the [Seller/Servicer] within the 70 day period.

[3] [Seller/Servicer] will purchase loans at a 101.5% price, net of any funding and tax service fees. For HFA Advantage, Seller/Servicer will add the following Freddie Mac mark-ups.

Price Adjustments - Lender Credits (as Percentage of final Loan Amount) for the benefit of the Borrower

Loan Rate	Up to \$85,000	\$85,001-\$110,000	\$110,001-\$150,000	\$150,001-\$175,000
3.875%	1.250%	1.000%	0.875%	0.375%
4.375%	1.484%	1.266%	0.922%	0.484%
4.875%	1.484%	1.266%	0.922%	0.484%
5.125%	1.719%	1.500%	1.063%	0.594%
>5.125%	1.719%	1.500%	1.063%	0.594%

[4] Lender may charge up to 1% origination fee to the Borrower.

Please refer to the Program Guidelines and program Manual for additional details.



**CITY HOME BUYER ASSISTANCE PROGRAM
 Program Manual
 Appendix IV – Grant Funding/Wire Transfer Request Form**

REQUEST DATE: _____

REQUESTED WIRE AMOUNT: _____

EXPECTED LOAN
 CLOSING DATE **: _____

** Chicago Infrastructure Trust shall be provided not less than three (3) business day notice to allow for the timely transfer of funds. Funds shall be wired the morning of the above Loan Closing Date; funds should be on deposit by 12:00 local time.

Loan Information

Loan Reservation Date		Grant Percentage Selected	
Final Loan Amount			

Wiring Instructions

Bank: _____

ABA #: _____

Closing Agent or
 Title Company Name: _____

ATTN: _____

Account #: _____

Borrower Name(s): _____

Reference File Number: _____

Property Address: _____

Completed forms should be emailed to _____ at Chicago Infrastructure Trust:

If wired funds are not received by Noon local time, please email CIT or call the primary contacts at Amalgamated Bank.

Primary Contact Information		
CIT		
Amalgamated Bank		

Please notify CIT and Amalgamated Bank if the loan closing has been delayed.

If the loan closing has been cancelled, then the Lender or escrow agent should arrange for the wire transfer of funds back to Amalgamated Bank with the following wire transfer instructions:

Bank: _____

ABA #: _____



**CITY HOME BUYER ASSISTANCE PROGRAM
Program Manual
Appendix V – Program Compliance Package**

FHA/VA Loan Forms

1. Program Compliance Checklist
2. Borrower's Acknowledgement
3. FHA Underwriter and Transmittal Summary
4. Recapture Mortgage 5-Year FHA/VA (Recorded)
5. Homebuyer Training Certificate (if applicable) from City-approved agency

Freddie Mac Loan Forms

1. Program Compliance Checklist
2. Borrower's Acknowledgement
3. Freddie Mac Underwriter and Transmittal Summary
4. Recapture Mortgage 5-Year Freddie Mac (Recorded)
5. Homebuyer Training Certificate (if applicable) from City-approved agency

City Home Buyer Assistance Program

Program Compliance Checklist

Lender hereby certifies and acknowledges the following (check the boxes or mark N/A as appropriate):

FHA/VA Loans

Borrower's annualized income does not exceed the Program Income Limits – currently \$87,400	
Borrower complies with Section 2-45-130 of the Municipal Code of Chicago	
Completed FHA Loan Underwriter and Transmittal Summary	
Recorded Recapture Mortgage	
Homebuyer Training Certificate (if a first-time homebuyer) from City-approved agency	
Signed Borrower's Acknowledgment	

Freddie Mac Loans

Borrower's annualized income does not exceed the Program Income Limits – currently \$133,000	
Borrower complies with Section 2-45-130 of the Municipal Code of Chicago	
Completed Freddie Mac Loan Underwriter and Transmittal Summary	
Recorded Recapture Mortgage	
Homebuyer Training Certificate (if a first-time homebuyer) from City-approved agency	
Signed Borrower's Acknowledgment	
Assignment Agreement, if applicable	

Lender Representative _____ TEL _____

Lender Name _____



CITY HOME BUYER ASSISTANCE PROGRAM

Borrower's Acknowledgement

I/we _____, as applicant(s) for a mortgage loan (the "Loan") originated by _____ (the "Lender"), am eligible for a grant for down payment and closing cost assistance in the amount of \$_____ (the "Grant") to be provided by the Chicago Infrastructure Trust, an Illinois not-for-profit corporation ("CIT") through the City of Chicago's Home Buyer Assistance Program (the "Program").

I/we do hereby acknowledge as follows:

1. I/we acknowledge that the home to be financed by the Loan is located in the City of Chicago in the County of Cook in the State of Illinois at _____ (the "Property"), and that I/we intend to occupy the Property as my principal place of residence within 60 days after the closing of the Loan (or in the case of newly constructed home, within 60 days of completion of construction), and to thereafter occupy the Property as my/our principal residence.
2. I/we understand that the Grant may be used solely to fund down payment and closing costs for the purchase of the Property, subject to a minimum contribution required from my/our own funds, and that such assistance has been provided by CIT through the Program.

Initials: _____

3. I/we understand that the Grant is subject to repayment during a five-year period commencing on the date the Loan closes. As evidence of this repayment obligation, the Lender will place a Recapture Mortgage as a subordinate lien on the Property to ensure that the Lender and CIT are notified if the property is sold or if the Loan is refinanced within the five-year period. The Recapture Mortgage will remain on the Property for the full five years, at which point the repayment obligation will be forgiven and the Recapture Mortgage obligations will be released free and clear.

Initials: _____

4. I/we understand that if I/we sell or refinance the Property within five years after the Loan closing, I/we will owe a pro rata repayment to CIT. I/we understand that my/our obligation to repay the Grant will be forgiven in an amount of 1/60th of the Grant amount for each full month that I/we live in the home, and that partial months are not credited for forgiveness.

Initials: _____

5. I/we acknowledge that the Grant would not be made but for my/our representations made in the Loan application, and that the Grant must be used in accordance with FHA, VA and Freddie Mac guidelines regarding Grants provided by a government or quasi-government agency.

Initials: _____

6. I/we understand that should I/we fail to make timely Loan payments to the Lender (or to another lender as servicer if the servicing rights have been transferred), the servicer of my/our Loan may refer me/us to a third-party counseling organization or a mortgage insurer that will advise me/us about finding ways to meet my/our Loan obligations. I/we hereby authorize the servicer to release certain information related to the servicer's own experience with me/us to such a third-party counseling organization or mortgage insurer and request that the counseling party or mortgage insurer contact me/us. I/we further hereby authorize the third-party counseling organization or mortgage insurer to make a recommendation about appropriate action to take with regard to my/our Loan, which recommendation may assist the servicer in determining whether to restructure my/our Loan or to offer other services that could preserve my/our long term homeownership.

Initials: _____

7. If the Property becomes subject to foreclosure, the Recapture Mortgage will remain as a lien against the Property until the foreclosure is final. After the foreclosure is final, the obligation to repay the Grant will be terminated. In the case of multiple Borrowers on title, if one of the Borrowers moves out of the Property as a result of divorce or separation, no repayment of the Grant will be required as long as one of the Borrowers on title continues to own and reside in the Property. In the event of my death, no repayment of the Grant will be required provided that my direct heirs continue to own and reside in the Property for the remainder of the five-year period after the Loan closing. In the event of financial hardship, I/we may apply to the Lender (or to another lender as servicer if the servicing rights have been transferred) and to CIT for the deferment of any repayment due under the Recapture Mortgage to allow for the refinancing of the Loan.

Initials: _____

8. As evidenced by my/our signature(s) below, I/we have read and understand this disclosure form, and I/we have had any questions about the Program and the Grant answered to my/our satisfaction. I/we understand that this Borrower's Acknowledgement is a required part of the Program guidelines. I/we agree to provide any and all information that the Lender requires to ensure compliance with all guidelines for the Program.

Date: _____

Applicant/Borrower's Signature

Applicant/Borrower's Signature

Applicant/Borrower's Signature

Applicant/Borrower's Signature



**HOME BUYER ASSISTANCE PROGRAM
FORM OF RECAPTURE MORTGAGE
FHA/VA LOANS**

See attached

5-Year
FHA/VA Form

This instrument prepared by
and when recorded return to:

RECAPTURE MORTGAGE

THIS **RECAPTURE MORTGAGE** ("Mortgage") is made as of this ___ day of _____, by _____ an individual or individuals (collectively, jointly and severally, the "Mortgagor"), in favor of the Chicago Infrastructure Trust, an Illinois not-for-profit corporation whose address is 35 East Wacker Drive, Suite 1450, Chicago, Illinois 60601 ("Mortgagee").

WITNESSETH:

WHEREAS, the City Council of the City of Chicago (the “City Council”) adopted an ordinance on April 24, 2012 and published in the Journal of Proceedings of the City Council (the “Journal”) for such date, pursuant to which the Mortgagee was established as a not-for-profit corporation to facilitate, coordinate and implement alternative financing for infrastructure projects on behalf of the City of Chicago (the “City”); and

WHEREAS, the City Council adopted an ordinance on March 16, 2016 and published in the Journal for such date (the “Ordinance”), which, among other things, authorized the establishment of that certain Home Buyer Assistance Program (the “Program”) and the use of certain funds (the “Grant Funds”) for the purpose of financing a portion of the down payment and/or closing costs for the acquisition by low- and moderate-income persons and families of single family, owner-occupied, or one- to four-unit principal residences; and

WHEREAS, the Program is administered in accordance with certain Program guidelines established by the City (as amended from time to time, the “Program Guidelines”) and that certain Program manual promulgated by the Mortgagee (as amended from time to time, the “Program Manual”) (the program requirements established by the Ordinance, the Program Guidelines and the Program Manual as amended from time to time shall be collectively referred to herein as the “Program Rules”); and

WHEREAS, the Mortgagor desires to accept a grant under the Program in the amount specified on Exhibit B attached hereto and hereby made a part hereof (the "Grant") to be funded from Grant Funds and used in connection with the acquisition of the Premises in accordance with the Program Rules; and

WHEREAS, Mortgagee desires to secure a recapture and recovery of a portion of the proceeds of the Grant in case of certain events as described hereunder;

NOW, THEREFORE, in order to secure a recapture and recovery of a portion of the proceeds of the Grant and performance of the covenants and agreements contained in this Mortgage, including any substitutions, extensions or modifications hereto, Mortgagor does grant, assign, warrant, convey and mortgage to Mortgagee, its successors and assigns, and grants to Mortgagee, its successors and assigns forever a continuing security interest in and to, all of the following rights, interests, claims and property:

(a) all of the real estate, as more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all easements, water rights, hereditaments, mineral rights and other rights and interests appurtenant thereto (the "Real Property");

(b) all buildings, structures and other improvements of every kind and description now or hereafter erected, situated or placed upon the Real Property, together with any fixtures or attachments now or hereafter owned by Mortgagor and located in or on, forming part of, attached to, used or intended to be used in connection with or incorporated in the Real Property, including all extensions, additions, betterments, renewals, substitutions and replacements of any of the foregoing (the "Improvements");

(c) any interests, estates or other claims of every name, kind or nature, both at law and in equity, which Mortgagor now has or may acquire in the Real Property, the Improvements, the Equipment (as hereinafter defined) or any of the property described in clauses (d), (e), (f), (g) or (h) hereof;

(d) all of Mortgagor's interest and rights as lessor in and to all leases, subleases and agreements, if any, written or oral, now or hereafter entered into, affecting the Real Property, the Improvements, the Equipment or any part thereof, and all income, rents, issues, proceeds and profits accruing therefrom, if any (provided that the assignment hereby made shall not diminish or impair the obligations of Mortgagor under the provisions of such leases, subleases or agreements, if any, nor shall such obligations be imposed on Mortgagee);

(e) all right, title and interest of Mortgagor in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Real Property or the Improvements, together with all furniture, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Real Property or the Improvements, or used or useful in connection with any present or future operation of the Real Property or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation, including all renewals, additions and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment");

(f) all of the estate, interest, right, title or other claim or demand which Mortgagor now has or may acquire with respect to (i) proceeds of insurance in effect with respect to the Real Property, the Improvements or the Equipment, and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding of all or any portion of the Real Property, the Improvements or the Equipment;

(g) all other property rights of Mortgagor of any kind or character related to all or any portion of the Real Property, the Improvements or the Equipment; and

(h) any proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

All of the property referred to in the preceding clauses (a) through (h) shall be called, collectively, the "Premises."

IT IS FURTHER agreed, intended and declared that all the aforesaid property rights and interests shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and be covered by this Mortgage.

SECTION 1. Recitals. The above recitals are hereby incorporated as if fully set forth herein.

SECTION 2. Definitions.

"Acquisition" shall mean the acquisition of the Premises by the Mortgagor.

"Acquisition Price" shall mean the purchase price of the Premises.

"Closing Date" shall mean the date hereof.

"Eligible Borrower" shall mean an individual, or collectively the individuals, who acquire the Premises pursuant to the Program in accordance with the Program Rules, and (i) whose annualized gross income, regardless of family size, does not exceed 115% of the Chicago Metropolitan Statistical Area family median income as of the Closing Date, or such other income

limits as approved by the U.S. Department of Housing and Urban Development, (ii) do not own an ownership interest in any other property as of the Closing Date, (iii) have a minimum credit score or equivalent credit history approved by the Lender, (iv) if a first-time homebuyer, have completed an approved homebuyer education course to the satisfaction of the Lender, and (v) meet the qualifications for “Eligible Persons” set forth in Section 2-45-130 of the Municipal Code of Chicago, as determined by the Lender.

“Equity Amount” shall mean the funds provided by the Mortgagor, unencumbered by any debt, obligation, lien or encumbrance, and irrevocably committed to the Acquisition in the amount stated on Exhibit B hereof, which such amount is the lesser of \$1,000 or one percent of the Acquisition Price.

“Recapture Date” shall mean the earlier of: (i) the Transfer Date, (ii) the Refinance Date, or (iii) the occurrence of an Event of Default prior to the Retention Date.

“Refinance Date” shall mean the date that the Loan is refinanced prior to the Retention Date.

“Retention Date” shall mean the fifth anniversary of the Closing Date.

“Lender” shall mean the lender identified on Exhibit B hereto.

“Loan” shall mean the loan in the amount specified on Exhibit B hereto made by the Lender to the Mortgagor in connection with the Acquisition under the Program.

“Lender Mortgage” shall mean the mortgage securing the Loan.

“Transfer Date” shall mean the date of a Transfer as defined in Section 6 hereof.

SECTION 3. The Grant. The Grant shall be made from the Mortgagee to the Mortgagor upon the following terms and conditions:

- (a) the principal sum of the Grant shall be the amount specified on Exhibit B (the “Grant Amount”) which such Grant Amount shall not exceed six percent of the Loan;
- (b) the Mortgagor has contributed the Equity Amount specified on Exhibit B; and
- (c) the Recapture Amount may be recovered by the Mortgagee as set forth and specified herein upon the Recapture Date.

The Mortgagor specifically acknowledges that Mortgagor has made this Mortgage in favor of Mortgagee to secure the Recapture Amount, and to ensure the use of the Grant proceeds in accordance with the Program Rules.

SECTION 4. Term. This Mortgage shall be in full force and effect from the Closing Date through and including the Retention Date.

SECTION 5. Covenants, Representations and Warranties of Mortgagor. To protect the security of this Mortgage, Mortgagor further covenants, agrees represents and warrants as follows:

- (a) Mortgagor shall perform its obligations under this Mortgage and observe all of the covenants, agreements and provisions contained herein;
- (b) Mortgagor shall pay promptly when due any sums due under the documents for the Loan, and shall perform promptly and fully any acts required under the documents for the Loan;
- (c) Mortgagor shall keep and maintain the Premises in good condition and repair;
- (d) Mortgagor shall maintain good, indefeasible and merchantable title to the Premises and all beneficial interest therein;
- (e) Mortgagor shall comply with all statutes, rules, regulations, orders, decrees and other requirements of any federal, state or local governmental body having jurisdiction over the Premises and the use thereof;
- (f) Mortgagor shall not abandon the Premises, nor do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage;
- (g) Mortgagor shall not permit any unlawful use or nuisance to exist upon the Premises;
- (h) Mortgagor is an Eligible Borrower;
- (i) Mortgagor shall occupy the Premises as the owner, and the Premises do not contain more than four residential dwelling units;
- (j) Mortgagor is now and shall remain solvent and able to pay debts as they mature;
- (k) Mortgagor shall pay or cause to be paid, prior to delinquency, all taxes and charges which are assessed or imposed upon the Premises as such taxes and charges become due and payable; and
- (l) Mortgagor shall procure and maintain, or cause to be maintained, at all times, at Mortgagor's own expense, until the maturity date of the Loan, any and all types of insurance required by the Lender.

SECTION 6. Transfer or Refinancing of Premises. Mortgagor shall not, prior to the Retention Date, voluntarily create, effect, contract for, commit to, consent to, suffer or permit any conveyance, sale, assignment, or other transfer (or any agreement to do any of the foregoing), directly or indirectly, of all or any portion of the Premises or any interest therein ("Transfer"), without notice to the Mortgagee and repayment of the Recapture Amount to the Mortgagee.

The following events shall not trigger repayment of the Recapture Amount or be construed to be a Transfer hereunder: (i) death or legal incapacity of any or all of the individuals constituting the Mortgagor and transfer of any interest in the Premises to such individual's guardian or heirs, (ii) foreclosure of a mortgage upon the Premises, (iii) transfer by deed in lieu of a foreclosure of a mortgage upon the Premises, (iv) a condemnation or taking of the Premises by any governmental entity, or (v) assignment of the Lender Mortgage to the Secretary of the U.S. Department of Housing and Urban Development.

SECTION 7. Events of Default. The following shall constitute an "Event of Default" under this Mortgage:

- (a) Mortgagor's failure to pay, when due, any sums required to be paid by Mortgagor to the Lender under the documents for the Loan;
- (b) the occurrence of a default or an event of default under any of the documents made in connection with the Loan, which default or event of default is not timely cured pursuant to any applicable cure period as set forth in such documents;

- (c) any warranty, representation or statement made or furnished to Mortgagee by or on behalf of Mortgagor proving to have been false in any material respect when made or furnished;
- (d) failure of the Mortgagor to maintain good, indefeasible and merchantable title to the Premises and all beneficial interest therein;
- (e) the abandonment by Mortgagor of all or any portion of the Premises;
- (f) Mortgagor's failure to pay taxes and charges in accordance with the terms hereof or a failure to procure or maintain any insurance required hereunder;
- (g) Mortgagor's failure to pay the Recapture Amount to the Mortgagee when due according to the terms and conditions set forth herein; and
- (h) Mortgagor's violation of the Program Rules in a manner which is not cured within 30 days after notice of such violation from the Mortgagee, the Lender or the City.

SECTION 8. Recovery of Grant. Upon the occurrence of an Event of Default hereunder Mortgagee may elect to recover the Recapture Amount, and Mortgagee may proceed to foreclose this Mortgage and to exercise any rights and remedies available to Mortgagee under this Mortgage and to exercise any other rights and remedies against Mortgagor which Mortgagee may have at law, in equity or otherwise. Mortgagee may also elect to commence an action to enforce specifically any of the provisions contained in this Mortgage.

SECTION 9. Remedies. Mortgagee's remedies as provided in this Mortgage shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Mortgagee and may be exercised as often as occasion therefor shall arise, and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute.

SECTION 10. Waiver. Mortgagee's failure to require strict performance by Mortgagor of any provision of this Mortgage shall not waive, affect or diminish any right of Mortgagee thereafter to demand strict compliance and performance therewith, nor shall any waiver by Mortgagee of an Event of Default waive, suspend or affect any other Event of Default under this Mortgage, whether the same is prior or subsequent thereto, or of the same or a different type.

SECTION 11. Notice. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

If to Mortgagee: The address specified on the first page hereof.

If to Mortgagor: The address of the Premises as specified on Exhibit A.

Such addresses may be changed by notice to the other parties given in the same manner as above provided.

SECTION 12. Amendments and Modifications. This Mortgage may not be altered, amended, modified, cancelled, changed or discharged except by written instrument signed by Mortgagor and Mortgagee prior to the Retention Date. After the Retention Date, no written release shall be required to discharge the obligations contained herein.

SECTION 13. Governing Law. This Mortgage shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles.

SECTION 14. Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Mortgage shall be construed as if such invalid part were never included herein and this Mortgage shall be and remain valid and enforceable to the fullest extent permitted by law.

SECTION 15. Promotional Literature and Communications. The Mortgagor agrees that the City shall have the right to include the name, photograph, artistic rendering and other pertinent information of the Mortgagor in the City's promotional literature and communications.

SECTION 16. Junior Mortgage. This is a junior mortgage on the Premises and is subject and subordinate in each and every respect to any and all rights of any kind created by any documents in favor of the Lender identified on Exhibit B securing the Loan, including but not limited to the Lender Mortgage.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Mortgagor has signed this Recapture Mortgage as of the date first written above.

MORTGAGOR

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that _____ as the "Mortgagor" and personally known to me to be the same person(s) whose name is/are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, _____.

Notary Public

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION:

COMMON ADDRESS:

PERMANENT INDEX NUMBERS

EXHIBIT B

Acquisition Price: _____

Address of the Premises: _____

Equity Amount: \$ _____

Grant Amount: \$ _____

Lender: _____

Loan: \$ _____

Program Income Limit: \$ _____

Qualifying Mortgagor Income: \$ _____

Recapture Amount:

The Recapture Amount hereunder shall be forgiven by 1/60th of the Grant Amount on the anniversary of each month subsequent to the Closing Date. The Recapture Amount due on the Recapture Date shall be calculated as the Grant Amount minus any amounts forgiven prior to the Recapture Date, but shall not exceed the net gain to be received by the Mortgagor through any sale or refinancing of the Premises as determined by the Lender.

Repayment Terms:

There shall be no repayment of the Grant except for the Recapture Amount which shall be immediately due and payable on the Recapture Date. The Mortgagor has specifically made this Mortgage in favor of Mortgagee to secure the Recapture Amount, and to ensure the use of the Grant proceeds in accordance with the Program Rules.



**HOME BUYER ASSISTANCE PROGRAM
FORM OF RECAPTURE MORTGAGE
FREDDIE MAC LOANS**

See attached

5-Year
Freddie Mac Form

This instrument prepared by
and when recorded return to:

RECAPTURE MORTGAGE

THIS **RECAPTURE MORTGAGE** ("Mortgage") is made as of this ___ day of _____, by _____ an individual or individuals (collectively, jointly and severally, the "Mortgagor"), in favor of the Chicago Infrastructure Trust, an Illinois not-for-profit corporation whose address is 35 East Wacker Drive, Suite 1450, Chicago, Illinois 60601 ("Mortgagee").

W I T N E S S E T H:

WHEREAS, the City Council of the City of Chicago (the “City Council”) adopted an ordinance on April 24, 2012 and published in the Journal of Proceedings of the City Council (the “Journal”) for such date, pursuant to which the Mortgagee was established as a not-for-profit corporation to facilitate, coordinate and implement alternative financing for infrastructure projects on behalf of the City of Chicago (the “City”); and

WHEREAS, the City Council adopted an ordinance on March 16, 2016 and published in the Journal for such date (the “Ordinance”), which, among other things, authorized the establishment of that certain Home Buyer Assistance Program (the “Program”) and the use of certain funds (the “Grant Funds”) for the purpose of financing a portion of the down payment and/or closing costs for the acquisition by low- and moderate-income persons and families of single family, owner-occupied, or one- to four-unit principal residences; and

WHEREAS, the Program is administered in accordance with certain Program guidelines established by the City (as amended from time to time, the “Program Guidelines”) and that certain Program manual promulgated by the Mortgagee (as amended from time to time, the “Program Manual”) (the program requirements established by the Ordinance, the Program Guidelines and the Program Manual as amended from time to time shall be collectively referred to herein as the “Program Rules”); and

WHEREAS, the Mortgagor desires to accept a grant under the Program in the amount specified on Exhibit B attached hereto and hereby made a part hereof (the "Grant") to be funded from Grant Funds and used in connection with the acquisition of the Premises in accordance with the Program Rules;

WHEREAS, the Lender (as hereinafter defined) has advanced the Grant to the Mortgagor on behalf of the City pursuant to the Program Rules; and

WHEREAS, the City wishes to secure a recapture and recovery of a portion of the proceeds of the Grant in case of certain events as described hereunder and direct that such proceeds, if any, be made available to the Mortgagee pursuant to the Ordinance;

NOW, THEREFORE, in order to secure a recapture and recovery of a portion of the proceeds of the Grant and performance of the covenants and agreements contained in this Mortgage, including any substitutions, extensions or modifications hereto, Mortgagor does grant, assign, warrant, convey and mortgage to Mortgagee, its successors and assigns, and grants to Mortgagee, its successors and assigns forever a continuing security interest in and to, all of the following rights, interests, claims and property:

(a) all of the real estate, as more particularly described on Exhibit A attached hereto and hereby made a part hereof, together with all easements, water rights, hereditaments, mineral rights and other rights and interests appurtenant thereto (the "Real Property");

(b) all buildings, structures and other improvements of every kind and description now or hereafter erected, situated or placed upon the Real Property, together with any fixtures or

attachments now or hereafter owned by Mortgagor and located in or on, forming part of, attached to, used or intended to be used in connection with or incorporated in the Real Property, including all extensions, additions, betterments, renewals, substitutions and replacements of any of the foregoing (the "Improvements");

(c) any interests, estates or other claims of every name, kind or nature, both at law and in equity, which Mortgagor now has or may acquire in the Real Property, the Improvements, the Equipment (as hereinafter defined) or any of the property described in clauses (d), (e), (f) or (g) hereof;

(d) all right, title and interest of Mortgagor in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Real Property or the Improvements, together with all furniture, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Real Property or the Improvements, or used or useful in connection with any present or future operation of the Real Property or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation, including all renewals, additions and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment");

(e) all of the estate, interest, right, title or other claim or demand which Mortgagor now has or may acquire with respect to (i) proceeds of insurance in effect with respect to the Real Property, the Improvements or the Equipment, and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding of all or any portion of the Real Property, the Improvements or the Equipment;

(f) all other property rights of Mortgagor of any kind or character related to all or any portion of the Real Property, the Improvements or the Equipment; and

(g) any proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

All of the property referred to in the preceding clauses (a) through (g) shall be called, collectively, the "Premises."

IT IS FURTHER agreed, intended and declared that all the aforesaid property rights and interests shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and be covered by this Mortgage.

SECTION 1. Recitals. The above recitals are hereby incorporated as if fully set forth herein.

SECTION 2. Definitions.

“Acquisition” shall mean the acquisition of the Premises by the Mortgagor.

“Acquisition Price” shall mean the purchase price of the Premises.

"Closing Date" shall mean the date hereof.

"Eligible Borrower" shall mean an individual, or collectively the individuals, who acquire the Premises pursuant to the Program in accordance with the Program Rules, and (i) whose annualized gross income, regardless of family size, does not exceed 175% of the Chicago Metropolitan Statistical Area family median income as of the Closing Date, or such other income limits as approved by the U.S. Department of Housing and Urban Development, (ii) do not own an ownership interest in any other property as of the Closing Date, (iii) have a minimum credit score or equivalent credit history approved by the Lender, (iv) if a first-time homebuyer, have completed an approved homebuyer education course to the satisfaction of the Mortgagee, and (v) meet the qualifications for "Eligible Persons" set forth in Section 2-45-130 of the Municipal Code of Chicago to the satisfaction of the Mortgagee.

"Equity Amount" shall mean the funds provided by the Mortgagor, unencumbered by any debt, obligation, lien or encumbrance, and irrevocably committed to the Acquisition in the amount stated on Exhibit B hereof, which such amount is the lesser of \$1,000 or one percent of the Acquisition Price.

"Recapture Date" shall mean the earlier of: (i) the Transfer Date, (ii) the Refinance Date, or (iii) the occurrence of an Event of Default prior to the Retention Date.

"Refinance Date" shall mean the date that the Loan is refinanced prior to the Retention Date.

"Retention Date" shall mean the fifth anniversary of the Closing Date.

"Lender" shall mean the lender identified on Exhibit B hereto.

"Loan" shall mean the loan in the amount specified on Exhibit B hereto made by the Lender to the Mortgagor in connection with the Acquisition under the Program.

"Lender Mortgage" shall mean the mortgage securing the Loan.

"Transfer Date" shall mean the date of a Transfer as defined in Section 6 hereof.

SECTION 3. The Grant. The Grant shall be made from the Mortgagee to the Mortgagor upon the following terms and conditions:

- (d) the principal sum of the Grant shall be the amount specified on Exhibit B (the "Grant Amount") which such Grant Amount shall not exceed seven percent of the Loan;
- (e) the Mortgagor has contributed the Equity Amount specified on Exhibit B; and
- (f) the Recapture Amount may be recovered by the Mortgagee as set forth and specified herein upon the Recapture Date.

The Mortgagor specifically acknowledges that Mortgagor has made this Mortgage in favor of Mortgagee to secure the Recapture Amount, and to ensure the use of the Grant proceeds in accordance with the Program Rules.

SECTION 4. Term. This Mortgage shall be in full force and effect from the Closing Date through and including the Retention Date.

SECTION 5. Covenants, Representations and Warranties of Mortgagor. To protect the security of this Mortgage, Mortgagor further covenants, agrees represents and warrants as follows:

- (m) Mortgagor shall perform its obligations under this Mortgage and observe all of the covenants, agreements and provisions contained herein;
- (n) Mortgagor shall pay promptly when due any sums due under the documents for the Loan, and shall perform promptly and fully any acts required under the documents for the Loan;
- (o) Mortgagor shall keep and maintain the Premises in good condition and repair;
- (p) Mortgagor shall maintain good, indefeasible and merchantable title to the Premises and all beneficial interest therein;
- (q) Mortgagor shall comply with all statutes, rules, regulations, orders, decrees and other requirements of any federal, state or local governmental body having jurisdiction over the Premises and the use thereof;
- (r) Mortgagor shall not abandon the Premises, nor do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage;
- (s) Mortgagor shall not permit any unlawful use or nuisance to exist upon the Premises;
- (t) Mortgagor is an Eligible Borrower;
- (u) Mortgagor shall occupy the Premises as the owner;
- (v) Mortgagor is now and shall remain solvent and able to pay debts as they mature;
- (w) Mortgagor shall pay or cause to be paid, prior to delinquency, all taxes and charges which are assessed or imposed upon the Premises as such taxes and charges become due and payable; and
- (x) Mortgagor shall procure and maintain, or cause to be maintained, at all times, at Mortgagor's own expense, until the maturity date of the Loan, any and all types of insurance required by the Lender.

SECTION 6. Transfer of the Premises. Mortgagor shall not, prior to the Retention Date, voluntarily create, effect, contract for, commit to, consent to, suffer or permit any conveyance, sale, assignment, or other transfer (or any agreement to do any of the foregoing), directly or indirectly, of all or any portion of the Premises or any interest therein ("Transfer"), without notice to the Mortgagee and repayment of the Recapture Amount to the Mortgagee.

The following events shall not trigger repayment of the Recapture Amount or be construed to be a Transfer hereunder: (i) death or legal incapacity of any or all of the individuals constituting the Mortgagor and transfer of any interest in the Premises to such individual's

guardian or heirs, (ii) foreclosure of a mortgage upon the Premises, (iii) transfer by deed in lieu of a foreclosure of a mortgage upon the Premises, (iv) a condemnation or taking of the Premises by any governmental entity, or (v) assignment of the Lender Mortgage to the Secretary of the U.S. Department of Housing and Urban Development.

SECTION 7. Events of Default. The following shall constitute an "Event of Default" under this Mortgage:

- (i) Mortgagor's failure to pay, when due, any sums required to be paid by Mortgagor to the Lender under the documents for the Loan;
- (j) the occurrence of a default or an event of default under any of the documents made in connection with the Loan, which default or event of default is not timely cured pursuant to any applicable cure period as set forth in such documents;
- (k) any warranty, representation or statement made or furnished to Mortgagee by or on behalf of Mortgagor proving to have been false in any material respect when made or furnished;
- (l) failure of the Mortgagor to maintain good, indefeasible and merchantable title to the Premises and all beneficial interest therein;
- (m) the abandonment by Mortgagor of all or any portion of the Premises;
- (n) Mortgagor's failure to pay taxes and charges in accordance with the terms hereof or a failure to procure or maintain any insurance required hereunder;
- (o) Mortgagor's failure to pay the Recapture Amount to the Mortgagee when due according to the terms and conditions set forth herein; and
- (p) Mortgagor's violation of the Program Rules in a manner which is not cured within 30 days after notice of such violation from the Mortgagee, the Lender or the City.

SECTION 8. Recovery of Grant. Upon the occurrence of an Event of Default hereunder Mortgagee may elect to recover the Recapture Amount, and Mortgagee may proceed to foreclose this Mortgage and to exercise any rights and remedies available to Mortgagee under this Mortgage and to exercise any other rights and remedies against Mortgagor which Mortgagee may have at law, in equity or otherwise. Mortgagee may also elect to commence an action to enforce specifically any of the provisions contained in this Mortgage.

SECTION 9. Remedies. Mortgagee's remedies as provided in this Mortgage shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Mortgagee and may be exercised as often as occasion therefor shall arise, and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute.

SECTION 10. Waiver. Mortgagee's failure to require strict performance by Mortgagor of any provision of this Mortgage shall not waive, affect or diminish any right of Mortgagee thereafter to demand strict compliance and performance therewith, nor shall any waiver by Mortgagee of an Event of Default waive, suspend or affect any other Event of Default under this Mortgage, whether the same is prior or subsequent thereto, or of the same or a different type.

SECTION 11. Notice. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

If to Mortgagee: The address specified on the first page hereof.

If to Mortgagor: The address of the Premises as specified on Exhibit A.

Such addresses may be changed by notice to the other parties given in the same manner as above provided.

SECTION 12. Amendments and Modifications. This Mortgage may not be altered, amended, modified, cancelled, changed or discharged except by written instrument signed by Mortgagor and Mortgagee prior to the Retention Date. After the Retention Date, no written release shall be required to discharge the obligations contained herein.

SECTION 13. Governing Law. This Mortgage shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles.

SECTION 14. Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Mortgage shall be construed as if such invalid part were never included herein and this Mortgage shall be and remain valid and enforceable to the fullest extent permitted by law.

SECTION 15. Promotional Literature and Communications. The Mortgagor agrees that the City shall have the right to include the name, photograph, artistic rendering and other pertinent information of the Mortgagor in the City's promotional literature and communications.

SECTION 16. Junior Mortgage. This is a junior mortgage on the Premises and is subject and subordinate in each and every respect to any and all rights of any kind created by any documents in favor of the Lender identified on Exhibit B securing the Loan, including but not limited to the Lender Mortgage.

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IN WITNESS WHEREOF, Mortgagor has signed this Recapture Mortgage as of the date first written above.

MORTGAGOR

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that _____ as the "Mortgagor" and personally known to me to be the same person(s) whose name is/are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, _____.

Notary Public

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION:

COMMON ADDRESS:

PERMANENT INDEX NUMBERS:

EXHIBIT B

Acquisition Price: _____

Address of the Premises: _____

Equity Amount: \$ _____

Grant Amount: \$ _____

Lender: _____

Loan: \$ _____

Program Income Limit: \$ _____

Qualifying Mortgagor Income: \$ _____

Recapture Amount:

The Recapture Amount hereunder shall be forgiven by 1/60th of the Grant Amount on the anniversary of each month subsequent to the Closing Date. The Recapture Amount due on the Recapture Date shall be calculated as the Grant Amount minus any amounts forgiven prior to the Recapture Date, but shall not exceed the net gain to be received by the Mortgagor through any sale or refinancing of the Premises as determined by the Mortgagee.

Repayment Terms:

There shall be no repayment of the Grant except for the Recapture Amount which shall be immediately due and payable on the Recapture Date. The Mortgagor has specifically made this Mortgage in favor of Mortgagee to secure the Recapture Amount, and to ensure the use of the Grant proceeds in accordance with the Program Rules.

HOME BUYER ASSISTANCE PROGRAM

To help make homeownership possible for more working families, Mayor Rahm Emanuel and the Chicago City Council established the Home Buyer Assistance Program to offer grants that support down payments and closing costs.

The Home Buyer Assistance Program is open to families and individuals who are buying a home or refinancing an existing mortgage. The program can be used for the purchase of single-family homes, town homes, condominiums and owner-occupied properties containing up to four units. First time home buyers must complete a home buyer education course when participating in the program.



Qualified buyers may receive a grant for up to 7 percent of the total loan amount based on income. The program is intended to assist a broad range of families that include middle- and low-income households. Depending on whether a home buyer selects a FHA-insured loan or a loan insured by Fannie Mae or Freddie Mac, home buyers can have an annual income of up to approximately \$131,775.

The program will be administered by the Chicago Infrastructure Trust, which will work in conjunction with authorized lending institutions responsible for accepting and processing applications, accepted on a first-come, first-serve basis. ■

WHO QUALIFIES?

Anyone who meets the income and credit score requirements is eligible for the program. There are two categories of loans available, each with their own requirements:

FHA, VA, USDA Loans: Regardless of family size, the borrower's annual income must be \$88,435 or less. As set by FHA, VA, or USDA guidelines, participants will generally need a minimum credit score of 580 to qualify.

Fannie Mae/Freddie Mac Loans: Regardless of family size, the borrower's annual income must be \$131,775 or less. As set by Fannie Mae/Freddie Mac guidelines, participants will generally need a minimum credit score of 640 to qualify.

DO I NEED TO BE A FIRST-TIME HOME BUYER?

No

HOW MUCH GRANT MONEY COULD I RECEIVE?

Qualified borrowers may receive a grant for up to 7% of the total loan amount based on income. For example, for loan amount of \$250,000, a borrower could receive a grant of no more than \$17,500 to cover down payment and closing costs.

WILL I BE REQUIRED TO USE MY OWN FUNDS?

Qualified borrowers will be required to contribute the lesser of \$1,000 or 1% of home purchase price at the closing.

CAN THIS PROGRAM HELP ME REFINANCE MY HOME?

Yes, as long as there is no cash back to the borrower.

To learn more about the Home Buyer Assistance Program and a complete list of approved lenders, please visit www.cityofchicago.org/homebuyer or www.chicagoinfrastructure.org