

COUNTY OF HIDALGO
STATE OF TEXAS
URBAN COUNTY PROGRAM
HOMEBUYER ASSISTANCE PROGRAM CONTRACT

This Homebuyer Assistance Program Contract ("Homeowner Contract") is entered into this 17th day of June 2014, between the County of Hidalgo, State of Texas ("County") and Jesus Gonzalez & Juana V. Gonzalez ("Owner" or "homebuyer").

Owner has requested financial assistance from the County to assist Owner with the down payment, closing costs, gap financing (if deemed necessary in accordance with a subsidiary analysis performed by the County) and/or other applicable hard and soft costs to purchase a home in accordance with the requirements of the County's Homebuyer Assistance Program ("Homeowner Program"); and

Owner, based on the information furnished to County, qualifies for financial assistance under the Homeowner Program.

NOW THEREFORE, the County and Owner agree as follows:

1. Owner represents and warrants that all information furnished to the County in or as a part of Owner's application for financial assistance in the Homeowner Program is true and correct.

2. Owner agrees that the financial assistance provided to Owner by County hereunder (the "Homeowner Advance" or "HOMEBUYER ASSISTANCE Funds") will only be used to pay Owner's down payment, closing costs, gap financing (if deemed necessary in accordance with a subsidiary analysis performed by the County) and/or other applicable hard and soft costs in accordance with the Homeowner Program in order for Owner to acquire Owner's principal residence located at:

Lot 33 Tower Landing Subdivision, Alamo, HIDALGO COUNTY TEXAS more fully described on Exhibit "A" attached hereto ("Property").

3. Owner represents to County that the contract attached hereto as Exhibit "B" is a true and correct copy of the contract under which Owner will acquire the Property. The debt and lien described in Exhibit "B" will be the only debt and lien against the Property other than the lien granted pursuant to this Homeowner Contract.

4. Owner agrees to comply with all applicable requirements of the U. S. Housing and Urban Development affordable housing home ownership statutes and regulations, including 24 CFR § 92.254(a) Qualification as Affordable Housing: Homeownership, as amended.

5. Owner agrees to provide, within ten (10) business days of the final loan closing, the Urban County Program with copies of the Lender's Note, Settlement Statement, Truth-in-Lending Disclosure, Property Deed and Property Insurance.

6. Owner agrees to execute all documents requested by County in order for County to obtain a valid second deed of trust lien on the Property.

7. OWNER UNDERSTANDS AND AGREES THAT COUNTY IS NOT RESPONSIBLE TO OWNER FOR: (i) ANY ASPECT OF THE CONSTRUCTION OF THE RESIDENCE ON THE PROPERTY BEING PURCHASED BY OWNER, INCLUDING ANY CLAIM FOR DEFECTIVE WORK, INCOMPLETE WORK OR WARRANTY WORK; AND/OR (ii) ANY DEFECTS IN OWNER'S TITLE TO THE PROPERTY.

8. County agrees to expend the Homeowner Advance in an amount to be determined by the County as set forth herein for the benefit of Owner in connection with Owner's purchase of the Property; the amount of which Homeowner Advance shall (i) be set by the County based on the County's determination of the amount needed by the Owner for such purchase in accordance with the County's applicable policies and procedures and (ii) not in any event exceed ten thousand dollars \$10,000. The Homeowner Advance will be applied first to Owner's required down payment (if any), and then to closing costs, gap financing (if deemed necessary by a subsidy analysis performed

by the County), and any other applicable hard and soft costs. The good faith estimate & subsidy analysis attached hereto as Exhibit "C" reflects a non-binding estimate of the Homeowner Advance, it being agreed by the Owner that the actual Homeowner Advance shall be determined in County's sole discretion as set forth herein. County shall give ~~Owner written notice of the amount of the Homeowner Advance after the County sets such~~ amount.

9. OWNER AGREES THAT OWNER WILL, FOR A MINIMUM OF FIVE (5) CONSECUTIVE YEARS FOLLOWING OWNER'S PURCHASE OF THE PROPERTY, CONTINUOUSLY USE THE RESIDENCE LOCATED ON THE PROPERTY AS OWNER'S PRINCIPAL RESIDENCE. OWNER AGREES THAT OWNER WILL, ON AN ANNUAL BASIS, EXECUTE SUCH CERTIFICATIONS AS COUNTY MAY REQUIRE TO CONFIRM OWNER'S COMPLIANCE WITH THE REQUIREMENT OF THIS PARAGRAPH 9.

10. Provided Owner has continuously used the residence located on the Property as Owner's principal residence for five (5) consecutive years after the beginning date used in the Loan Documents, County will forgive Owner's outstanding HOMEBUYER ASSISTANCE Funds on the Repayment Date set forth in the Loan Documents in an amount equal to the HOMEBUYER ASSISTANCE Funds.

FAILURE TO REPAY THE HOMEBUYER ASSISTANCE FUNDS IN ACCORDANCE WITH THIS CONTRACT AND/OR THE LOAN DOCUMENTS AND/OR TO COMPLY WITH THE OTHER PROVISIONS OF THE LOAN DOCUMENTS, MAY RESULT IN THE FORECLOSURE OF THE COUNTY'S LIENS AGAINST THE PROPERTY AND THE LOSS OF YOUR RESIDENCE AND THE PROPERTY.

11. Owner understands and agrees that if Owner sells the Property, within the period of affordability (five (5) years from the loan closing date used in the Loan Documents), through a voluntary or involuntary transfer, the County will recapture all or a portion of the direct subsidy provided to the homebuyer as provided in this paragraph.

The loan will be forgiven pro rata over the period of affordability under the following terms, as long as the home remains the principal residence of the home buyer:

- (i) Upon satisfactory completion of the 1st year of the Loan Documents - 20% of the original principal amount will be forgiven;
- (ii) Upon satisfactory completion of the 2nd year of the Loan Documents - 40% of the original principal amount will be forgiven;
- (iii) Upon satisfactory completion of the 3rd year of the Loan Documents - 60% of the original principal amount will be forgiven;
- (iv) Upon satisfactory completion of the 4th year of the Loan Documents - 80% of the original principal amount will be forgiven; and
- (v) Upon satisfactory completion of the 5th year of the Loan Documents - 100% of the original principal amount will be forgiven.

If the net proceeds from a voluntary or involuntary sale are insufficient to repay the prorated amount of the HOME ASSISTANCE Funds, the County shall recapture the entire amount of net proceeds from the sale. If there are no net proceeds from the sale, no repayment is required. Net proceeds are defined as the sales price minus superior loan repayment and any closing costs incurred by the homebuyer.

12. Owner understands and agrees that: (i) Owner agrees to continuously use the residence located on the property as Owner's principal residence for five (5) consecutive years following the beginning date used in the Loan Documents; and (ii) Owner agrees to honor all of its other obligations to County under the Homebuyer Contract or the Loan Documents; collectively. In the event that the County determines that the assisted homebuyer(s) is non-compliant with the residency requirements and the other requirements stated in the Homebuyer Assistance Program Contract then the entire face value of the funds are immediately due and payable to the County. Homebuyer will be given 30 days to return to compliance. If homebuyer(s) does not return to compliance the

entire face value of the funds will be due and payable and will incur a four percent (4%) interest per annum.

13. THIS HOMEBUYER CONTRACT CREATES A BINDING AGREEMENT BETWEEN YOU AND THE COUNTY; OWNER REPRESENTS AND WARRANTS TO THE COUNTY THAT OWNER HAS REVIEWED THE CONTRACT, UNDERSTANDS IT, AND IS EXECUTING IT FREELY AND VOLUNTARILY.

Executed and effective as of the date and year first written above.

COUNTY OF HIDALGO
URBAN COUNTY PROGRAM

DIANA R. SERNA
DIRECTOR

Jesus Gonzalez

Juana V Gonzalez

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Jesus Gonzalez ON THIS
_____ day of _____, 2014.

NOTARY PUBLIC, STATE OF TEXAS

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Juana V. Gonzalez ON THIS
_____ day of _____, 2014.

NOTARY PUBLIC, STATE OF TEXAS

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Diana R. Serna ON THIS
_____ day of _____, 2014.

NOTARY PUBLIC, STATE OF TEXAS

Exhibit "A"

To a

~~Homebuyer Assistance Program Contract~~

LEGAL DESCRIPTION OF THE PROPERTY:

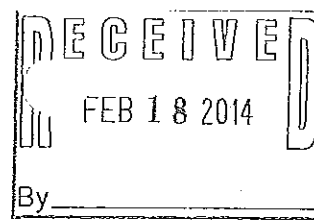
Lot 33 Tower Landing Subdivision, Alamo, HIDALGO COUNTY TEXAS

Exhibit "B"

To a

Homebuyer Assistance Program Contract

~~Copy of CONTRACT FOR PURCHASE OF PROPERTY~~



Divine Homes

P. O. Box 673
Edinburg, TX 78540
(956) 458-3557
(956) 566-4402

Psalms 18:2

"The Lord is my rock and my fortress"

CONTRACT

This Contract is made and entered into this ^{February 4} 17th day of ~~September~~, 2013, between Sylvia Flores, d/b/a Divine Homes (Contractor) and Jesus Gonzalez and Juana Vasquez Gonzalez (Clients) pertaining to the new construction in accordance with the specifications set below as part of this document, on client's real property described herein as follows:

Tower Landing, Phase I, Lot 33, Col. 48, Page 145, H.C.M.R.; Physical address: 528 Elena Lane, Alamo, Texas 78516

FINANCING

Clients agree to obtain financing for the construction of the home, pay all closing costs, settlement charges and all other applicable fees charged by the lender on or before or after closing in reference to obtaining a mortgage loan. Clients hereby release Contractor of any liability of payments and any costs or expenses incurred in connection with the mortgage loan.

HOME SPECIFICATIONS

Divine Homes hereby agree to obtain a line of credit to purchase the material perform all the labor necessary for the completion of the brick home of approximately 1529 total square feet more or less. The home features, accents and exterior details that are listed below as follows:

FEATURES: Living room, dining room, kitchen, master bedroom with closet, 2 bedrooms with closets, 2 full bathrooms, a one-car garage and laundry connections in the garage.

ACCENTS: Light fixtures (to be selected by clients based on allowance), fiber-glass standing showers, standard plumbing fixtures, custom door, low-E windows, tile throughout the house, interior doors, cabinets in kitchen and restrooms.

EXTERIOR: The house will consist of brick with a decorative front entrance door, electric-garage door, 30 year composition shingle, sidewalk and driveway

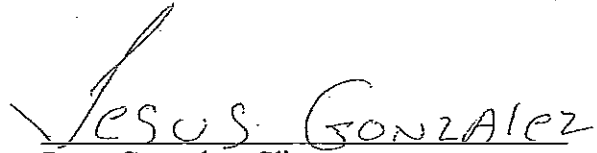
Divine Homes agrees to complete the construction in accordance with the above specifications, in this contract and floor plans, for the sum of Seventy Nine thousand dollars and no/100 (\$79,000.00).

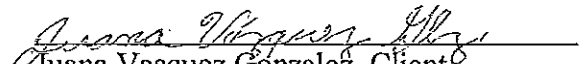
WARRANTY

Divine Homes hereby provides one year warranty on foundation, framing, and labor, electrical, plumbing, and air conditioning. However, Divine Homes is not responsible or liable for repairs of conditions or replacements within the time of the coverage, caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain, structural changes, acts of God, fire, freezing damage, electrical failure or surge, water damage and/or flooding, lighting, earthquake, mold, soil movement, roots and settlement of the earth, storms accidents, per damage, pest damages, theft, vandalism, war, riot, or failure to inadequate water pressure.

All material purchased by Divine Homes is guaranteed to be as specified. All work is to be completed in a workman like manner according to standard practices. Any alterations or deviations from the above specifications involve extra cost and will be executed only upon written agreement and will become an extra cost over and above the estimated cost of this Contract. All agreements contingent upon accidents or delays, due to weather, are beyond Divine Hone's control.

The Parties hereby enter into this Contract on the 17th day of February 2014.


Jesus Gonzalez, Client


Juana Vasquez Gonzalez, Client

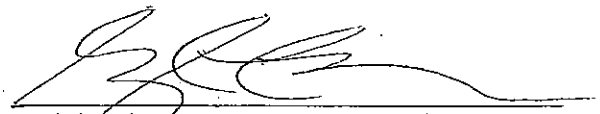

Sylvia Flores, Contractor

Exhibit "C"

To a

Homebuyer Assistance Program Contract

Copy of GOOD FAITH ESTIMATE & SUBSIDY ANALYSIS



Good Faith Estimate (GFE)

Name of Originator	USDA, Rural Housing Service
Originator Address	2514 S. Veterans Blvd, Suite 4 Edinburg, TX. 78539
Originator Phone Number	956-383-4928
Originator Email	hilda.reyes@tx.usda.gov

Borrower	Jesus Gonzalez
Property Address	528 Elena Lane Alamo, TX. 78516
Date of GFE	09/25/2013

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

Important dates

- The interest rate for this GFE is available through 06/30/2014. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
- This estimate for all other settlement charges is available through 10 business days.
- After you lock your interest rate, you must go to settlement within N/A days (your rate lock period) to receive the locked interest rate.
- You must lock the interest rate at least N/A days before settlement.

Summary of your loan

Your initial loan amount is	\$ 101,451.00	
Your loan term is	33	years
Your initial interest rate is	3.75	%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 446.95	per month
Can your interest rate rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of _____ %.	
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$ _____	
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be in 0.0 and the monthly amount owed can rise to \$ 0.00. The maximum it can ever rise to is \$ 0.00	
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$ 0.00	
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ 0.00 due in 00 years.	

Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$ 446.95.

Do we require you to have an escrow account for your loan?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Summary of your settlement charges

A	Your Adjusted Origination Charges (See page 2.)	
B	Your Charges for All Other Settlement Services (See page 2.)	
A + B	Total Estimated Settlement Charges	\$ 3,422.00

Understanding your estimated settlement charges

Your Adjusted Origination Charges										
1. Our origination charge This charge is for getting this loan for you.		\$0.00								
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of <u> </u> N/A % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ <u>0.00</u> for this interest rate of <u>0.0</u> %. This credit reduces your settlement charges. <input type="checkbox"/> You pay a charge of \$ <u>0.00</u> for this interest rate of <u>0.0</u> %. This charge (points) increases your total settlement charges. The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.										
A Your Adjusted Origination Charges		\$ 0.00								
Your Charges for All Other Settlement Services										
3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.										
<table border="0"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr> <td>Appraisal fee</td> <td>425.00</td> </tr> <tr> <td>Tax Service(USDA)</td> <td>102.00</td> </tr> </tbody> </table>	Service	Charge	Appraisal fee	425.00	Tax Service(USDA)	102.00				
Service	Charge									
Appraisal fee	425.00									
Tax Service(USDA)	102.00									
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.		\$886.00								
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.		\$986.00								
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		\$1,250.00								
<table border="0"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr> <td>Attorney Fees</td> <td>900.00</td> </tr> <tr> <td>Doc Prep/Attorney Fees</td> <td>225.00</td> </tr> <tr> <td>Endorsements</td> <td>125.00</td> </tr> </tbody> </table>	Service	Charge	Attorney Fees	900.00	Doc Prep/Attorney Fees	225.00	Endorsements	125.00		
Service	Charge									
Attorney Fees	900.00									
Doc Prep/Attorney Fees	225.00									
Endorsements	125.00									
7. Government recording charges These charges are for state and local fees to record your loan and title documents.		\$300.00								
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.		\$0.00								
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input checked="" type="checkbox"/> all property taxes, <input checked="" type="checkbox"/> all insurance, and <input type="checkbox"/> other <u> </u> .										
10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is \$ <u>0.00</u> per day for <u>0</u> days (if your settlement is <u>n/a</u>).		\$0.00								
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.										
B Your Charges for All Other Settlement Services		\$								
A + B Total Estimated Settlement Charges		\$ 3422.00								

Some of these charges can change at settlement. See the top of page 3 for more information.

Instructions

Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none"> Our origination charge Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate) Your adjusted origination charges (after you lock in your interest rate) Transfer taxes 	<ul style="list-style-type: none"> Required services that we select Title services and lender's title insurance (if we select them or you use companies we identify) Owner's title insurance (if you use companies we identify) Required services that you can shop for (if you use companies we identify) Government recording charges 	<ul style="list-style-type: none"> Required services that you can shop for (if you do not use companies we identify) Title services and lender's title insurance (if you do not use companies we identify) Owner's title insurance (if you do not use companies we identify) Initial deposit for your escrow account Daily interest charges Homeowner's insurance

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

- If you want to choose this same loan with lower settlement charges, then you will have a higher interest rate.
- If you want to choose this same loan with a lower interest rate, then you will have higher settlement charges.

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$0.00	\$	\$
Your initial interest rate ¹	%	%	%
Your initial monthly amount owed	\$	\$	\$
Change in the monthly amount owed from this GFE	No change	You will pay \$ more every month	You will pay \$ less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$	Your settlement charges will increase by \$
How much your total estimated settlement charges will be	\$	\$	\$

¹For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

Using the shopping chart

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name				
Initial loan amount				
Loan term				
Initial interest rate				
Initial monthly amount owed				
Rate lock period				
Can interest rate rise?				
Can loan balance rise?				
Can monthly amount owed rise?				
Prepayment penalty?				
Balloon payment?				
Total Estimated Settlement Charges				

If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.

HOME BUYER MORTGAGE ANALYSIS

Project:
 Buyer:

Key
White spaces indicate data entry

House Information

Purchase Price
 Appraised Value

Bank Requirements

Bank Ratio Front End
 Back End
 Annual Interest Rate
 Loan Term (Years)
 Constant Annual Percent
 Loan to Value
 Closing Costs

Family Information

Annual Income	<input type="text" value="\$23,743"/>	\$1,978.58 Monthly Income
Annual Taxes	<input type="text" value="\$2,280"/>	\$190.00 Monthly Taxes
Annual Insurance	<input type="text" value="\$720"/>	\$60.00 Monthly Insurance
Total Credit Card Debt	<input type="text" value="\$828"/>	

Debt Capacity

Monthly Income x Front Ratio \$ 692.50
 - Taxes \$ 190.00
 - Insurance \$ 60.00
 - Other Monthly Housing Cost
 = Max. Monthly Debt Service-Front

Debt Service for Loan Using LVR	\$431.74
+ Monthly Taxes	\$190.00
+ Monthly Insurance	\$60.00
= Monthly Mortgage Payment	\$681.74

Monthly Income x Back Ratio \$ 890.36
 - Taxes \$ 190.00
 - Insurance \$ 60.00
 - Other Monthly Housing Cost \$ -
 - Loan Payments
 - Credit Card Payments \$ 41.40
 - Other Monthly Obligation
 = Max. Monthly Debt Service-Back

Maximum Monthly Debt Service \$ 442.50
 Maximum Loan Using Front/Back \$ 100,442

Maximum Loan Using LVR \$ 98,000

Maximum Loan \$ 98,000

Permanent Mortgage

Purchase Price \$ 79,000
 Loan Amount \$ 98,000
 Equity Needed \$ (19,000)
 Closing Costs \$ 3,422
 Cash Available from Buyer

Home Buyer Subsidy \$ -

Total Estimated Closing Costs are \$3,422. No additional subsidy is needed.