

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

This Homebuyer Assistance Program Contract ("Homeowner Contract") is entered into this 22nd day of July 2014, between the County of Hidalgo, State of Texas ("County") and Graciela Saldana ("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 2 Villa de Las Fuentes Subdivision, Hidalgo, 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

Graciela Saldana

(Jurat/Individual Acknowledgment)

STATE OF TEXAS §

COUNTY OF HIDALGO §

SWORN, SUBSCRIBED AND ACKNOWLEDGED before me Graciela Saldana 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 2 Villa de Las Fuentes Subdivision, Hidalgo, HIDALGO COUNTY TEXAS

Exhibit "B"

To a

Homebuyer Assistance Program Contract

Copy of CONTRACT FOR PURCHASE OF PROPERTY

CONSTRUCTION BID PROPOSAL

GRACIELA SALDAÑA
Applicants Name (Owner)

LOT 2 VILLA De LAS FUENTES
Legal Description

2617 GRANJENO ST.
Physical Address HIDALGO, TEXAS 78557

In compliance with this cost proposal dated OCTOBER 01-2013 the undersigned hereby proposes to furnish the material and perform in a workman like manner, all work for the owner as follows:

PLAN NUMBER:	<u>N/A</u>
Total Living Area	<u>1330</u>
Total Square Feet	<u>1690</u>
DWELLING PRICE	\$ <u>83,320.00</u>
LOT PRICE	\$ <u>N/A</u>
TOTAL COST	\$ <u>83,320.00</u>

OCT 17 2013

The site is served by an adequate public water supply and public sewer system

N/A The site will be served by a "septic sewage system" and will be approved by County Regulations upon completion (proposed system is designed in the plot plan)

Contractor agrees that this Bid Proposal is good for 120 days.

MV
Firm MARTIN VILLANUEVA
MARTIN VILLANUEVA CONST. LLC

Graciela Saldana
Borrower GRACIELA SALDANA

By 10-01-13
Date

Borrower 10-01-13
Date

3528 BUDDY OWENS
Business Address MCALLEN, TEXAS Phone No. 78504
City, State, ZIP Code

JUL -7 2014

of

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	Borrower Graciela Saldaña
Originator Address 2514 S. Veterans Blvd. Suite 4 Edinburg, TX. 78539	Property Address 2617 Granjeno Street Hidalgo, TX. 78557
Originator Phone Number 956-383-4928	Date of GFE 6/4/2014
Originator Email hilda.reyes@tx.usda.gov	

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	\$ 83,320.00
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	\$ 366.97 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 \$ 366.97 .
Do we require you to have an escrow account for your loan?
<input type="checkbox"/> No, you do not have an escrow account. You must pay these charges directly when due.
<input checked="" type="checkbox"/> 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	\$ 3,168.00

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: **HOMEBUYER**
 Buyer: **Graciela Saldana**

Key
 White spaces indicate data entry

House Information

Purchase Price: **\$83,320**
 Appraised Value: **\$105,000**

Bank Requirements

Bank Ratio Front End: **35%**
 Back End: **45%**
 Annual Interest Rate: **3.75%**
 Loan Term (Years): **33**
 Constant Annual Percent: **0.0529**
 Loan to Value: **100%**
 Closing Costs: **\$3,168**

Family Information

Annual Income: **\$17,827** **\$1,485.58 Monthly Income**
 Annual Taxes: **\$2,280** **\$190.00 Monthly Taxes**
 Annual Insurance: **\$720** **\$60.00 Monthly Insurance**
 Total Credit Card Debt: **\$552**

Debt Capacity

Monthly Income x Front Ratio: **\$ 519.95**
 - Taxes: **\$ 190.00**
 - Insurance: **\$ 60.00**
 - Other Monthly Housing Cost: **\$ -**
 = Max. Monthly Debt Service-Froi: **\$ 269.95**

Debt Service for Loan Using LVR: **\$462.58**
 + Monthly Taxes: **\$190.00**
 + Monthly Insurance: **\$60.00**
 = Monthly Mortgage Payment: **\$712.58**

Monthly Income x Back Ratio: **\$ 668.51**
 - Taxes: **\$ 190.00**
 - Insurance: **\$ 60.00**
 - Other Monthly Housing Cost: **\$ -**
 - Loan Payments: **\$ -**
 - Credit Card Payments: **\$ 27.60**
 - Other Monthly Obligation: **\$ -**
 = Max. Monthly Debt Service-Bac: **\$ 390.91**

Maximum Monthly Debt Service: **\$ 269.95**
 Maximum Loan Using Front/Back: **\$ 61,276**

Maximum Loan Using LVR: **\$ 105,000**

Maximum Loan: **\$ 61,276**

Permanent Mortgage

Purchase Price: **\$ 83,320**
 Loan Amount: **\$ 61,276**
 Equity Needed: **\$ 22,044**
 Closing Costs: **\$ 3,168**
 Cash Available from Buyer: **\$ -**

Home Buyer Subsidy: **\$ 25,212**

Client need a subsidy in the amount of \$25,212 however the maximum allowable subsidy by UCP is \$10,000.