NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Maxine Calloway, Esq., A.I.C.P., Director of Community Planning & Development Department

Date: June 26, 2012

RE: **A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE CITY AND FLORIDA HOUSING FINANCE CORPORATION FOR THE PROVISION OF HARDEST HIT FUND (HHF) ADVISOR SERVICES FOR THE HARDEST HIT FUND UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM (UMAP) AND MORTGAGE LOAN REINSTATEMENT PROGRAM (MLRP) #2010-07-02-074; PROVIDING FOR AN EFFECTIVE DATE AND ALL OTHER PURPOSES.**

RECOMMENDATION

It is recommended that the Mayor and Council approve the attached resolution to enter into a new contract with Florida Housing Finance Corporation.

BACKGROUND

In 2011, The City of North Miami approved Resolution No. R-2011-27 and entered into an agreement with Florida Housing Finance Corporation for the provision of Hardest Hit Fund (HHF) Advisor services for the Hardest Hit Fund Unemployment Mortgage Assistance Program (UMAP) and Mortgage Loan Reinstatement Program (MLRP). Since the inception of the program, the state of Florida has received a total award amount of over one ($1) Billion Dollars.

The Hardest Hit Program is administered through the Housing Finance Agency Innovation Fund with funding from the U.S. Department of the Treasury. The purpose of the program is to create and administer foreclosure prevention assistance programs that address the unique issues of our State. The U.S. Department of the Treasury requires that Florida uses a portion of these funds specifically for targeted unemployment programs that provide temporary assistance to eligible homeowners.

Since the execution of the initial contract, several proposed changes and modifications to the existing program guidelines of the Hardest Hit Program were made to the U.S. Department of the Treasury. Effective June 2012, the proposed changes were approved by the Treasury and as a result, this new contract supersedes and replaces all previous oral or written communications, representations or agreements in connection with or related to the subject matter of this Contract. Upon execution of the new Contract, any such previous contract shall be deemed terminated by mutual agreement of the parties.
The Florida Hardest Hit Programs consist of two programs as follows:

1) The Unemployment Mortgage Assistance Program (UMAP). The UMAP provides funds to make monthly mortgage and escrowed mortgage-related expenses to include property taxes, homeowner insurance and mortgage insurance until the homeowner can resume payments or for up to 12 months or whichever occurs first.
2) The Mortgage Loan Reinstatement Payment Program (MLRP) provides funds to be used to help bring the past-due first mortgage current.

A maximum of $42,000 is available to eligible homeowners who use both the UMAP and MLRP programs together, up to $24, 000 in UMAP and $18, 000 in MLRP. A homeowner who uses MLRP- can only receive up to $25, 000. The funds will be in the form of a 0% interest, non-recourse, and deferred-payment forgivable loan which will subordinate to current mortgages.
The loan will be forgiven over a 5 year period starting at month 18, at a rate of 20% per year

The Community Planning & Development Department (CP&D) of the City of North Miami will receive a "Fee-for-Service" payment for each HHF applicant assisted.
The Fee-for-Service fee schedule is as follows:

- **$300.00** per Applicant determined eligible for UMAP/MLRP whose first eligibility determination is made under the criteria set forth in the Procedure Manual dated June 2012
- **$50.00** for each Applicant determined ineligible by the HHF Advisor
- **$150.00** per Applicant previously determined ineligible under the eligibility criteria set forth in any version of the Procedure Manual dated prior to June 2012 (where an ineligibility letter was issued and an Advisor Agency was paid for an eligibility determination) and is now determined eligible by the HHF Advisor and subsequently confirmed eligible by Florida Housing under the eligibility criteria as set forth in the Procedure Manual dated June 2012 or later
- **$0/ no payment** if Applicant remain ineligible under the eligibility criteria as set forth in the Procedure Manual dated June 2012 or later-
- **$100.00** for each Applicant file that has a closing.
- **$150.00** for quarterly case management per Applicant

The CP&D Department can assist applicants from any locality within both Miami-Dade and Broward Counties. Applicants apply online through the HHF and Florida Housing Coalition website – http://www.flhardesthithelp.org

Attachments
Resolution
Hardest Hit Fund Agreement Contract
Hardest Hit Fund Procedure Manual

CONTRACT FOR
HHF ADVISOR SERVICES FOR THE HFA HARDEST HIT FUND UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM AND MORTGAGE LOAN REINSTATEMENT PROGRAM
BETWEEN
FLORIDA HOUSING FINANCE CORPORATION
AND
CITY OF NORTH MIAMI

This Contract for Hardest Hit Fund (HHF) Advisor Services for the HFA Hardest Hit Fund Unemployment Mortgage Assistance Program (UMAP) and Mortgage Loan Reinstatement Program (MLRP) #2010-07-02-074 (Contract) is entered into by and between the FLORIDA HOUSING FINANCE CORPORATION (Florida Housing), a public corporation and a public body corporate and politic, with headquarters located at 227 North Bronough Street, Suite 5000, Tallahassee, Florida, 32301, and CITY OF NORTH MIAMI, (HHF Advisor) located at12400 NE 8th Avenue, North Miami, Florida 33161. This Contract shall become effective upon the date the last party signs the Contract (Effective Date).

MUTUAL UNDERSTANDINGS

Florida Housing was directed by the U.S. Department of the Treasury (Treasury) to create and administer foreclosure prevention assistance programs that address the unique issues of our state. Treasury requires that Florida use a portion of these funds specifically for targeted unemployment programs that provide temporary assistance to eligible homeowners. These targeted unemployment programs are as follows:

- Unemployment Mortgage Assistance Program (UMAP) will provide up to twelve (12) months of payments to the mortgage lender to assist eligible unemployed/underemployed borrowers with their first mortgage until they can resume payments on their own.

- Mortgage Loan Reinstatement Program (MLRP) will be used to help bring a delinquent mortgage current for eligible homeowners.

The UMAP and the MLRP are referred to collectively as the "Unemployment Programs."

As used herein, the term "Applicant" means the borrower (including any co-borrower) under a mortgage loan who applies for assistance under the Unemployment Programs.

The HHF Advisor shall perform and render the services identified in this contract as an independent Contractor and not as an agent, representative, or employee of Florida Housing. These services shall be known as "Contractor and professional services" and shall include, but not limited to, the provision of advice and assistance to Florida Housing in the following areas:

- Applicant intake;

- Determination of the Applicant's eligibility for assistance under UMAP and/or MLRP;

- Continuing case management of Applicants assisted with UMAP/MLRP; and

- Reporting activities.

Florida Housing has a need for such services and does hereby accept the offer of the HHF Advisor upon the terms and conditions outlined in this Contract.

Florida Housing has the authority pursuant to Florida Law to direct disbursement of funds for compensation to the HHF Advisor under the terms and provisions of this Contract.

NOW, THEREFORE, the parties agree as follows:

1. CLIENT MANAGEMENT SOFTWARE

The HHF Advisor must use Counselor Direct, the client management software available at www.FLhardesthithelp.org to provide the required data elements under the Contract.

2. ENGAGEMENT OF THE HHF ADVISOR; RESPONSIBILITY TO PROVIDE INFORMATION ON EMPLOYEES; REFERENCE CHECKS

The HHF Advisor agrees to provide the services in accordance with the terms and conditions hereinafter set forth, unless otherwise stated in this Contract. The HHF Advisor understands and agrees that all services under this Contract are to be performed solely by the HHF Advisor, unless prior written approval and consent is received from Florida Housing for any subcontract or assignment of services.

The HHF Advisor shall use the applicable criteria set forth in the Advisor Hardest Hit Fund Procedure Manual (the "Procedure Manual") dated June 2012 to determine the Applicant's eligibility for UMAP and MLRP assistance. From time to time, updated procedures will be made available to the HHF Advisor in the Counselor Direct system. The HHF Advisor is required to apply the eligibility criteria and procedures in effect at the time the eligibility determination is made for an Applicant. As used herein, the term Procedure Manual shall mean the Procedure Manual as amended or modified from to time during the term of this Contract.

References herein to "this Contract" shall be deemed to include the Procedure Manual, as same be amended or modified from time to time during the term hereof.

The HHF Advisor agrees to provide, in writing to Florida Housing's program contact as designated in subparagraph 11(e) herein, the following:

- A list of all employees who will provide services under this Contract (due upon execution of this Contract by the HHF Advisor).
- Resumes of all employees that will have access to CounselorDirect (due within fourteen (14) days following execution of this Contract by the HHF Advisor).
- Notice of any change in the list of employees providing services under this Contract (due within 7 days of the change).
- Resumes of any new employees requiring access to CounselorDirect (due within seven (7) days of access).

The HHF Advisor agrees to perform appropriate reference checks on any new employee that will be providing services under this Contract.

3. INCORPORATION OF MUTUAL UNDERSTANDINGS, LAWS, RULES AND REGULATIONS

The Mutual Understandings set out above are incorporated into and made a part of this Contract.

Applicable federal and state laws, rules, and regulations, as well as such written directives and guidance as may be issued from time to time by Treasury with regard to the Unemployment Programs, shall govern both the HHF Advisor and Florida Housing.

4. EFFECTIVE DATE AND TERM OF AGREEMENT

This Contract shall begin upon the date the last party signs the Contract (Effective Date).

The term of this Contract shall be for a period of two (2) years following the Effective Date, subject to satisfactory performance of the HHF Advisor at the sole discretion of Florida Housing. If the parties mutually agree in writing, the Contract may be renewed up to three (3) times. Each renewal shall be for an additional one-year period.

5. MODIFICATION OF AGREEMENT

Either party may request a modification of the provisions of this Contract. Modifications that are mutually agreed upon shall be valid only when reduced to writing, signed by the parties and attached to this Contract. All other terms and provisions, not so modified, shall remain in full force and effect.

6. COMPENSATION

The HHF Advisor shall not be permitted to charge the Applicant for any services rendered under this Contract. All compensation will be supplied under the terms of this Contract in amounts set forth below:

- Determination of eligibility for UMAP/MLRP:
  - Applicants whose first eligibility determination is made under the criteria set forth in the Procedure Manual dated June 2012:
    - Determined ineligible by the HHF Advisor - $50
    - Determined eligible by the HHF Advisor and subsequently confirmed eligible by Florida Housing - $300
  - Applicants previously determined ineligible under the eligibility criteria set forth in any version of the Procedure Manual dated prior to June 2012 (where an ineligibility letter was issued and an Advisor Agency was paid for an eligibility determination):
    - Determined eligible by the HHF Advisor and subsequently confirmed eligible by Florida Housing under the eligibility criteria as set forth in the Procedure Manual dated June 2012 or later - $150
    - Remain ineligible under the eligibility criteria as set forth in the Procedure Manual dated June 2012 or later- no payment
- Closing - $100
- Quarterly case management - $150 per quarter per Applicant

7. APPLICANT FILES; PRIVACY OF APPLICANT INFORMATION

(a) Applicant Privacy: The HHF Advisor shall maintain all documents and information received or generated in connection with any Applicant in a manner which safeguards the privacy of the Applicant's Personally Identifiable Information ("PII"). Paper documentation must be kept in secured file cabinets. Scanned or electronically stored documents must be safeguarded in a fashion that securely maintains Applicant privacy. As used in this subparagraph (a) and elsewhere in this Contract, "Personally Identifiable Information" or "PII" means information that can be used to uniquely identify, contact, or locate a single person or can be used with other sources to uniquely identify a single individual. PII includes Applicant names, addresses, telephone numbers, e-mail addresses, Uniform Resource Locator URL information regarding social networking accounts or any other Internet media, photographs or other visual depictions, audio recordings, and any other information that could be used by any means to identify, contact or locate an Applicant.

(b) Contents of the Files: The HHF Advisor shall maintain Applicant files containing documentation sufficient to verify an Applicant's eligibility (or ineligibility) for UMAP and/or MLRP assistance in accordance with the applicable eligibility guidelines under this Contract, as well as all compensation paid to the HHF Advisor for services rendered in connection with this Contract; such files shall include reports, records, documents, papers, letters, computer files, or other material received, generated, maintained or filed by the HHF Advisor in connection with this Contract. All documentation relating to the eligibility (or ineligibility) of an Applicant must be stored in the Counselor Direct system.

(c) Retaining the Files: The HHF Advisor must retain the files for a minimum of three (3) years from the outcome date or longer if there is an audit, investigation or litigation in progress, subject to the provisions of subparagraph 10(g)(iii) below. Additional time may also be required if other assistance programs are used with longer retention periods. It is the HHF Advisor's responsibility to determine the proper retention period. At the time of disposal, paper files may be shredded, incinerated or buried in a public landfill, in accordance with State records retention laws and rules. For electronic records containing PII or other information that is confidential or exempt from disclosure, appropriate destruction methods include physical destruction of storage media such as by shredding, crushing, or incineration; high-level overwriting that renders the data unrecoverable; or degaussing/demagnetizing of any digital storage media or device.

(d) Access to the Files: The HHF Advisor and its employees shall allow Florida Housing, or its agent(s) and compliance monitor(s), physical access to the files and records maintained by the HHF Advisor under this Contract during normal business hours, 9:00 a.m. to 5:00 p.m., Eastern Time, Monday through Friday, provided such day is not a holiday. Florida Housing shall make reasonable effort, but shall not be required, to notify the HHF Advisor 24-hours in advance of such visit; such notice may be in the form of a phone call or an email directed to the HHF Advisor's contract administrator as designated in this Contract.

(e) Files Subject to Florida's Public Records Law: Any file, report, record, document, paper, letter, or other material received, generated, maintained or sent by the HHF Advisor in connection with this Contract is subject to the provisions of Section 119.01-.19, Fla. Stat., as may be amended from time to time (Florida's Public Records Law). The HHF Advisor represents and acknowledges that it has read and understands Florida's Public Records Law and agrees to comply with Florida's Public Records Law.

(f) Electronic Files and Records: The HHF Advisor understands that its services under this Contract are subject to ongoing monitoring and review by Florida Housing or by its compliance monitors. Because of the cost, time and disruption associated with on-site audits, the parties intend that the

compliance monitoring under this Contract be conducted off-site to the extent possible. The HHF Advisor shall maintain its files and records in connection with the services rendered under this Contract in electronic form and, upon request, shall transmit electronic copies of those files and records to Florida Housing, or to its compliance monitor(s), or to Treasury, or to its designee(s). The HHF Advisor shall transmit electronic copies of the requested files or records to the requesting party promptly following request, but in no event later than 12:00 noon on the next business day following the day of the request. Florida Housing reserves its rights under subparagraph 7(d) of this Contract to conduct on-site inspections of the HHF Advisor's files and records under this Contract.

(g) Use of Applicant Information: The HHF Advisor agrees to refrain from using any Applicant information obtained in the course of its performance under this Contract for any purpose not specifically authorized by this Contract without first obtaining the express written consent of the Applicant and the program contact for Florida Housing. Use of any Applicant information for any purpose not specifically authorized by this Contract shall constitute an Event of Default under paragraph 9 of this Contract. This terms and conditions in this subparagraph 7(g) shall survive the termination of the Contract.

8. LIABILITY

(a) Florida Housing shall not be deemed to have assumed any liability for the acts, omissions, or negligence of the HHF Advisor, its agents, its servants, or employees, and the HHF Advisor specifically accepts responsibility for its acts, omissions or negligence and for the acts, omissions or negligence of its agents, servants or employees, and holds Florida Housing harmless from the claims of any third party which may arise due to the acts, omissions, or negligence of the HHF Advisor or its agents, servants or employees. The HHF Advisor further acknowledges that it is not an employee or agent of Florida Housing while performing the services contemplated by this Contract. Rather, the HHF Advisor acknowledges that it is performing the services under this Contract as an independent contractor. The HHF Advisor warrants and represents that it is authorized to do business in the State of Florida, and that it has and will maintain at all times during the term of this Contract all requisite licenses and permits as may be required for doing business and practicing its profession.

(b) The HHF Advisor specifically accepts responsibility for compliance with all applicable Florida laws, federal laws, Florida Housing rules and Florida Housing policies.

(c) The HHF Advisor specifically accepts responsibility for the payment of all income taxes, assessments, or contributions that may be required to be paid to any unit of government as a result of the payments paid to or by the HHF Advisor in conjunction with the services rendered pursuant to this Contract or in connection with the HHF Advisor's property. At no time shall the HHF Advisor make any commitments for or incur any charges or expenses for, or in the name of, Florida Housing.

(d) Nothing herein is intended to serve as a waiver of sovereign immunity by Florida Housing.

(e) The HHF Advisor shall not be relieved of liability to Florida Housing for damages sustained by Florida Housing by virtue of any termination or breach of this Contract by the HHF Advisor.

(f) The HHF Advisor must maintain professional liability insurance throughout the term of the Contract in an amount that is standard for the industry, but not less than $100,000.

9. DEFAULT AND REMEDIES

(a) If any of the events listed in subparagraph 9(b) (Events of Default) occur, all obligations on the part of Florida Housing to continue doing business with the HHF Advisor or assign any future transaction to the HHF Advisor shall, if Florida Housing so elects, terminate and Florida Housing may, at its option, exercise any of its remedies set forth herein, or as otherwise provided by law. However, Florida Housing may continue doing business with the HHF Advisor as a participant after the happening of any event listed in subparagraph 9(b) without waiving the right to exercise such remedies, without constituting a course of dealing, and without becoming liable to include the HHF Advisor in the final transaction.

(b) Events of Default shall include, but not be limited to, the following:

i. If any report, information, representation or material provided by the HHF Advisor in this Contract, is inaccurate, false or misleading;

ii. If any warranty or representation made by the HHF Advisor in this Contract, or any other outstanding agreement with Florida Housing, is deemed by Florida Housing to be inaccurate, false or misleading in any respect;

iii. If the HHF Advisor fails to keep, observe, or perform any of the terms or covenants contained in this Contract, or is unable or unwilling to meet its obligations as defined in this Contract;

iv. If, in the sole discretion of Florida Housing, the HHF Advisor has failed to perform or complete any of the services identified in this Contract;

v. If the HHF Advisor has not complied with all Florida laws, Federal laws, Florida Housing rules or Florida Housing policies applicable to the work or services to be provided under this Contract;

vi. If the HHF Advisor permits or engages in discrimination against any Applicant on any prohibited basis, including, but not limited to, gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, martial or parental status, sexual orientation, or physical, mental, emotional or learning disability in performing any service identified in this Contract;

vii. If the HHF Advisor does not comply with the terms and conditions set forth in Section 420.512(5), Fla. Stat.;

viii. If the HHF Advisor commits fraud or engages in activities deemed fraudulent or misleading by Florida Housing;

ix. If the HHF Advisor refuses to permit public access to any document, paper, letter, or other material subject to disclosure under Florida's Public Records Law; or

x. If the HHF Advisor, or any of its staff, are listed on Florida Housing's Past Due or Non-Compliance List (available on Florida Housing's website).

(c) Upon the happening of any Events of Default listed in subparagraph 9(b) above, Florida Housing will provide written notice of the Default through first class certified mail, return receipt requested (Notice of Default), to the address set forth in paragraph 11 of this Contract.

(d) Upon the happening of any Events of Default listed in subparagraph 9(b), Florida Housing may provide the HHF Advisor a period of time to cure the Event of Default (Cure Period). If Florida Housing provides a Cure Period, Florida Housing will notify the HHF Advisor of the length of the Cure Period in the Notice of Default.

(e) Upon the happening of any Event of Default, or if Florida Housing provides a Cure Period and if the HHF Advisor is unable or unwilling to cure the Event of Default within the Cure Period, Florida Housing may exercise any remedy permitted by law. The pursuit of any one of the following remedies shall not preclude Florida Housing from pursuing any other remedies contained herein or otherwise provided at law or in equity. The remedies include, but are not limited to the following:

i. Florida Housing may terminate the Contract;

ii. Florida Housing may commence an appropriate legal or equitable action to enforce performance of the terms and conditions of this Contract;

iii. Florida Housing may exercise any corrective or remedial actions including, but not limited to, requesting additional information from the HHF Advisor to determine the reasons for or the extent of non-compliance or lack of performance, issuing a written warning to advise that more serious measures may be taken if the situation is not corrected, advising the HHF Advisor to suspend, discontinue or refrain from incurring fees or costs for any activities in question or requiring the HHF Advisor to reimburse Florida Housing for the amount of costs incurred; or

iv. Florida Housing may exercise any other rights or remedies that may be otherwise available under law.

10. TERMINATION; SURVIVAL OF OBLIGATIONS AND DUTIES OF HHF ADVISOR UPON AND FOLLOWING TERMINATION

(a) Florida Housing may terminate this Contract without cause and the Contract will automatically terminate on the tenth (10^{th}) day after the representative of the HHF Advisor as identified in paragraph 11 of this Contract receives written notice through first class certified mail, return receipt requested (Termination Notice). This Termination Notice shall be sent to the representative of the HHF Advisor identified in paragraph 11 of this Contract.

(b) Florida Housing shall unilaterally terminate this Contract on the tenth (10^{th}) day after the representative of the HHF Advisor as identified in paragraph 11 of this Contract receives the Termination Notice if the HHF Advisor fails to comply with Florida's Public Records Law.

(c) Florida Housing shall unilaterally terminate this Contract on the tenth (10^{th}) day after the representative of the HHF Advisor as identified in paragraph 11 of this Contract receives the Termination Notice if the HHF Advisor fails to comply with the terms and conditions set forth in s. 420.512(5), Fla. Stat.

(d) Florida Housing may terminate the Contract for cause, including, but not limited to, the Events of Default contained in this Contract. The Contract will automatically terminate on the tenth (10^{th}) day after the representative of the HHF Advisor as identified in paragraph 11 of this Contract receives the Termination Notice.

(e) This Contract may be terminated by either party upon ten (10) days written notice. The Contract will automatically terminate on the tenth (10^{th}) day after all the parties consent in writing to the Termination Notice.

(f) Upon termination of this Contract for any reason, the HHF Advisor shall ensure that all information kept pursuant to paragraph 7 of this Contract is transmitted to Florida Housing via the Counselor Direct or any other appropriate or necessary means specified by Florida Housing. The HHF Advisor shall have a continuing duty to maintain the security of Applicant information and PII for the retention period of any information kept pursuant to paragraph 7 of this Contract.

(g) Upon termination of this Contract for any reason, the HHF Advisor shall:

i. immediately cease the use of any logo, slogan, sigil, service mark, trademark or any other intellectual property of Florida Housing associated with the HHF Program in any and all media produced or maintained by the HHF Advisor;

ii. immediately cease to represent any association with the HHF Program for any purpose whatsoever in any and all media produced or maintained by the HHF Advisor; and

iii. notwithstanding the provisions of subparagraph 7(c) of this Contract regarding the retention of records, the HHF Advisor shall destroy or delete all physical and electronic records containing any Applicant data or PII per the methods set forth in subparagraph 7(c) of this Contract and provide Florida Housing with a written statement that all physical and electronic Applicant data has been provided to Florida Housing either in CounselorDirect or other electronic means acceptable to Florida Housing and subsequently destroyed or deleted.

The terms and conditions in subparagraphs (f) and (g) above shall survive the termination of the Contract. Failure to comply with the terms of this part shall constitute an Event of Default pursuant to paragraph 9 above.

11. ADMINISTRATION OF CONTRACT

(a) The Florida Housing contract administrator for this Contract is:

Sherry Green
Contracts Administrator
Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, Florida 32301-1329
Phone: (850) 488-4197
Facsimile: (850) 414-6548
E-mail: sherry.green@floridahousing.org
or the designated successor.

(b) The primary HHF Advisor contract administrator for this Contract is:

Coleen Christie
City of North Miami
Housing-Division – Community Planning & Development
12400 NE 8th Avenue
North Miami, FL 33161
Telephone: 305-893-6511 x 12214
Fax: 305-895-4074
Cellular: 786-314-9834
Email: cchristie1@northmiamifl.gov
or the designated successor.

(c) If applicable, the back-up HHF Advisor contract administrator is:

Paula S. Daley
City of North Miami
Housing-Division – Community Planning & Development
12400 NE 8th Avenue
North Miami, FL 33161
Telephone: 305-893-6511 x 12265
Fax: 305-895-4074
Email: pdaley@northmiamifl.gov
or the designated successor.

(d) The Florida Housing program contact for this Contract is:

David Westcott
Director of Homeownership Programs
Florida Housing Finance Corporation
227 North Bronough St., Suite 5000
Tallahassee, Florida 32301-1329
Phone: (850) 488-4197
Facsimile: (850) 488-9809
E-mail: david.westcott@floridahousing.org
or the designated successor.

(e) All written and verbal approvals referenced in this Contract shall be obtained from the parties' contract administrator or their respective designees.

(f) All notices shall be given to the parties' respective contract administrators or their respective designees (unless a provision in the Contract directs otherwise, in which case such notice shall be given to the person or contact as directed in that provision).

12. CONFIDENTIALITY

(a) Subject to the provisions of Florida's Public Records Law, as applicable to Florida Housing, all materials furnished to Florida Housing pursuant to this Contract are confidential and the

HHF Advisor will treat such materials as confidential and will not reveal or discuss such materials or any other information learned as a result of this Contract with any other person or entity, except as authorized or directed by Florida Housing.

(b) In addition, working papers, copies, internal documents, procedures, methods and related materials are considered confidential and/or proprietary and the HHF Advisor shall treat such information as confidential and/or proprietary and shall not reveal or discuss any such information with any other person or entity, except as authorized or directed by Florida Housing. All such records and materials will remain the property of Florida Housing.

(c) If the HHF Advisor is required to disclose or publish the existence or terms of this Contract pursuant to Florida's Public Records Law, then the HHF Advisor shall notify Florida Housing in writing of such disclosure within two (2) days after receipt of the Public Records request.

13. GOVERNING LAW; VENUE; OTHER PROVISIONS

(a) This Contract shall be construed under the laws of the State of Florida and venue for any actions arising out of this Contract shall lie in Leon County.

(b) If any provision hereof is in conflict with any applicable statute or rule, or is otherwise unenforceable, then such provision shall be deemed null and void to the extent of such conflict and shall be deemed severable, but shall not invalidate any other provision of this Contract.

(c) No waiver by Florida Housing of any right or remedy granted hereunder or failure to insist on strict performance by the HHF Advisor shall affect or extend or act as a waiver of any other right or remedy of Florida Housing hereunder, or affect the subsequent exercise of the same right or remedy by Florida Housing for any further or subsequent default by the HHF Advisor. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a course of dealing.

(d) Any power of approval or disapproval granted to Florida Housing under the terms of this Contract shall survive the terms and life of this Contract as a whole.

(e) The Contract may be executed in any number of counterparts, any one of which may be taken as an original.

14. LOBBYING PROHIBITION

No funds compensation or other resources received in connection with this Contract may be used directly or indirectly to influence legislation or any other official action by the Florida or Federal Legislature or any state or federal agency. The HHF Advisor further acknowledges that it has not retained the services of any lobbyist or consultant to assist in the procurement and negotiation of this Contract.

15. COPYRIGHT, PATENT AND TRADEMARK

(a) If the HHF Advisor brings to the performance of this Contract a pre-existing copyright, patent or trademark, the HHF Advisor shall retain all rights and entitlements to that pre-existing copyright, patent or trademark unless the Contract provides otherwise.

(b) If any discovery or invention arises or is developed in the course of or as a result of work

or services performed under this Contract, or in any way connected herewith, the HHF Advisor shall refer the discovery or invention to Florida Housing for a determination whether patent protection will be sought in the name of Florida Housing. Any and all patent rights accruing under or in connection with the performance of this Contract are hereby reserved to Florida Housing. In the event that any books, manuals, films, or other copyrightable material are produced, the HHF Advisor shall notify Florida Housing in writing. Any and all copyrights or trademarks created by or in connection with the performance under this Contract are hereby reserved to Florida Housing.

(c) All subcontracts or other arrangements entered into by the HHF Advisor, with prior written approval and consent of Florida Housing, for the purpose of developing or procuring copyrightable materials (e.g., audiovisuals, computer programs, software, publications, curricula, research materials or training materials, etc.) shall specifically reference and reserve Florida Housing's exclusive rights to use and exploit copyrights and licenses to the extent permitted by copyright law and Florida Statutes.

16. LEGAL AUTHORIZATION

The HHF Advisor certifies with respect to this Contract that it possesses the legal authority to enter into this Contract and that, if applicable, its governing body has authorized, by resolution or otherwise, the execution and acceptance of this Contract with all covenants and assurances contained herein. The HHF Advisor also certifies that the undersigned possesses the authority to legally execute and bind the HHF Advisor to the terms of this Contract.

17. PUBLIC ENTITY CRIME

A person or affiliate, who has been placed on the convicted vendor list, following a conviction for a public entity crime, may not:

a. submit a bid on a contract to provide any goods or services to a public entity;
b. submit a bid on a contract with a public entity for the construction or repair of a public building or public work;
c. submit bids on leases of real property to a public entity;
d. be awarded or perform work as a consultant, supplier, subcontractor, or consultant under a contract with any public entity, and;
e. transact business with any public entity in excess of the threshold amount provided in s. 287.017, Fla. Stat., for CATEGORY TWO: $25,000, for a period of 36 months from the date of being placed on the convicted vendor list. Any contract in violation of this provision shall be null and void.

18. CONFLICTS OF INTEREST

(a) The HHF Advisor and its employees are expected to anticipate, and avoid, conflicts of interest in carrying out their duties and responsibilities under this Contract. For purposes of this paragraph, the term "HHF Employee" means any employee of the HHF Advisor, including the HHF Advisor, if an individual. To that end, an HHF Employee may not handle, process or otherwise participate in the handling, processing or decision making with respect to an application for assistance under the Unemployment Programs (UMAP and MLRP) made by an Applicant that is a Relative, Friend or Business Associate of the HHF Employee. "Relative," for purposes of this paragraph, with respect to the HHF Employee, means an individual who is related to the HHF Employee as father, mother, son, daughter, brother, sister, uncle, aunt, first

cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister. "Friend," for purposes of this paragraph, with respect to the HHF Employee, means an individual, with whom the HHF Employee enjoys a close personal relationship. "Business Associate," for purposes of this paragraph, with respect to the HHF Employee, means an individual, with whom the HHF Employee has a business or financial relationship. Should the HHF Advisor or the HHF Employee encounter any such situation, Florida Housing must be notified immediately by phone and in writing directed to the Florida Housing program contact at the address set forth in subparagraph 11(e) of this Contract and no further action may be taken on the Applicant file(s) in question except as may be directed or authorized by Florida Housing.

(b) Pursuant to Section 420.512(5), Fla. Stat.:

"Service providers shall comply with the following standards of conduct as a condition of eligibility to be considered or retained to provide services. For purposes of paragraphs (a), (b), and (c) only, the term 'service provider' means and is limited to a law firm, an investment bank, or a credit underwriter, and the agents, officers, principals, and professional employees of the service provider.
(a) A service provider may not make contributions in any amounts, directly or indirectly, for or on behalf of candidates for Governor, nor shall any service provider make a contribution in excess of $100 to any candidate for a member of the State Board of Administration other than the Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.
(b) The service provider shall not participate in fundraising activities for or on behalf of candidates for Governor in Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.
(c) Service providers shall provide to the corporation a statement that the service provider has not contributed to candidates for Governor or contributed in excess of the amounts allowed by this section for a member of the State Board of Administration or engaged in fundraising activities for or on behalf of candidates for Governor in Florida since the effective date of this section or during the 24 months preceding the service provider's application to provide services to the corporation, whichever period is shorter.
(d) The service provider may not engage in prohibited business solicitation communications with officers, members, or covered employees of the corporation.
(e) If a service provider is in doubt as to whether its activities, or the activities of its principals, agents, or employees, violate the provisions of this section, it may request a declaratory statement in accordance with the applicable rule and s. 120.565, Fla. Stat.
(f) If the corporation determines that a service provider has failed to meet the provisions of this section, it shall consider the magnitude of the violation and whether there has been a pattern of violations in determining whether to terminate or decline to enter into contracts with the service provider."

(c) Section 420.503(31), Fla. Stat., states:

" 'Prohibited business solicitation communication' means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:
(a) A verbal communication made on the record during a public meeting;
(b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;
(c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.
(d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communication does not relate to solicitation of business.
(e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communication does not relate to solicitation of business."

(d) By executing this contract, the HHF Advisor certifies that it shall comply with, and is currently in compliance with, Section 420.512(5), Fla. Stat., as amended.

(e) The HHF Advisor will certify that the staff and volunteers who will provide services under the Contract have no conflict(s) of interest due to relationships with servicers, real estate agencies, mortgage lenders, homeowners or household members, family members and/or other persons or entities that may stand to benefit from particular outcomes.

(f) In addition to the conflict of interest rules imposed by the Florida Statutes, and the conflicts of interest as described in subparagraph (a) above, should the HHF Advisor become aware of any actual, apparent, or potential conflict of interest or should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of this Contract and prior to the conclusion of the Contract, the HHF Advisor will provide immediate notification to Florida Housing, by phone and in writing through first class certified mail, return receipt requested (Notice of Conflict of Interest), to the Florida Housing program contact at the address set forth in subparagraph 11(e) of this Contract, within ten (10) working days. If the HHF Advisor is found to be in non-compliance with this provision, without prior written consent from Florida Housing's Executive Director, any compensation received in connection with this Contract shall be subject to forfeiture to Florida Housing.

19. TECHNICAL ASSISTANCE

A technical assistance provider (TAP) may be assigned to the HHF Advisor by and at the discretion of Florida Housing at any time during the term of this Contract. In such case, the TAP may evaluate the HHF Advisor to determine experience and capacity levels and submit written recommendations and observations to Florida Housing. In no event, however, shall the TAP manage, control or direct the manner in which the HHF Advisor renders the services contemplated under this Contract.

20. FACILITIES

The facilities and premises used by the HHF Advisor in providing the services under this Contract shall be maintained in commercially reasonable clean and safe condition, and accessible to all

persons, including persons with disabilities.

21. OTHER LANGUAGES

The HHF Advisor must be prepared to communicate with non-English speaking Applicants in providing the services contemplated under this Contract. To that end, the HHF Advisor either must have staff fluent in the language of any such Applicant or use interpreter services to ensure that such Applicant has access to the services and programs contemplated under this Contract.

22. ANTI-DISCRIMINATION

The HHF Advisor will not permit or engage in discrimination against any Applicant on any prohibited basis, including, but not limited to, gender, race, religion, color, familial status, national origin, ancestry, creed, pregnancy, martial or parental status, sexual orientation, or physical, mental, emotional or learning disability.

23. COMPLIANCE

The HHF Advisor agrees to comply with quality control, compliance and evaluation of the Unemployment Mortgage Assistance Program and Mortgage Loan Reinstatement Program for activities performed pursuant to the Contract.

24. ENTIRE AGREEMENT; ALL PRIOR AGREEMENTS SUPERSEDED AND TERMINATED

This Contract, including any and all attachments, embodies the entire agreement of the parties with respect to its subject matter. This Contract supersedes and replaces all previous oral or written communications, representations or agreements in connection with or related to the subject matter of this Contract, including, specifically, any previous version(s) of this Contract entitled Contract For HHF Advisor Services For The HFA Hardest Hit Fund Unemployment Mortgage Assistance Program And Mortgage Loan Reinstatement Program between Florida Housing and the HHF Advisor. Upon execution of this Contract, any such previous contract shall be deemed terminated by mutual agreement of the parties.

(THE REMAINDER OF THIS PAGE IS BLANK)

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their undersigned representatives as duly authorized.

CITY OF NORTH MIAMI

By: _____

Name: _____

Title: _____

FEIN: _____

DATE: _____

FLORIDA HOUSING FINANCE CORPORATION

By: _____
Name: Stephen P. Auger
Title: Executive Director

DATE: _____

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History

In January 2010, US Treasury (Treasury) created the "Housing Finance Agency (HFA) Innovation Fund for the Hardest-Hit Housing Markets" (HFA Hardest-Hit Fund) and allocated funds under the Emergency Economic Stabilization Act of 2008 (EESA) to five states: Arizona, California, Florida, Michigan and Nevada. The funds were allocated to these states because of their excessive housing market depreciation and to assist in foreclosure prevention efforts. In March 2010, Treasury allocated a second disbursement of $600 million to an additional five state HFAs based on high unemployment rates. On August 11, US Treasury again expanded the HFA Hardest-Hit Fund to include a total of 18 states and the District of Columbia, and added an additional $2 billion. Florida received another allocation of funds, $236.8 million, from the third round of funding, which added to the initial allocation of $418 million, this brought Florida's total funding to $656.8 million. Finally, on September 29, 2010, Treasury announced a fourth round of funding, awarding Florida an additional $401 million, bringing Florida's total award amount to over $1 billion.

Florida Housing Finance Corporation (Florida Housing) was directed by Treasury to create and administer foreclosure prevention assistance programs that address the unique issues of our state. Treasury requires that Florida use a portion of these funds specifically for targeted unemployment programs that provide temporary assistance to eligible homeowners.

Florida Housing's two programs under the HFA Hardest Hit Funds are:

Unemployment Mortgage Assistance Program (UMAP)

Loan funds can be used to pay monthly mortgage and escrowed mortgage-related expenses (i.e., property taxes, homeowner insurance, and mortgage insurance) until the homeowner can resume payments or for up to 12 months whichever occurs first.

Population to be served:

At least one borrower (a person who is legally obligated for the payment of the mortgage note) must be able to document that he or she is unemployed or substantially underemployed and must provide a financial hardship affidavit. A borrower and/or co-borrower who suffers a hardship that has resulted in a loss of income of at least 10% will be considered "substantially underemployed".
Use of funds:

Pay the monthly first mortgage payment.

Mortgage Loan Reinstatement Payment Program (MLRP)

Loan funds can be used to help bring the past-due first mortgage current.
Population to be served:

At least one borrower (a person who has is legally obligated for the payment of the mortgage note) must be able to document that he or she is unemployed or substantially underemployed and must provide a financial hardship affidavit. A borrower and/or co-borrower who suffers a hardship that has resulted in a loss of income of at least 10% will be considered "substantially underemployed".

MLRP can be used with UMAP or as a standalone MLRP-only payment. MLRP-only will be used to help bring a delinquent mortgage current for a homeowner who has returned to work or recovered from underemployment and can now resume the monthly mortgage payment(s) based on his/her new income, meaning that the total housing expense is less than 31% of the current gross monthly income. This type of assistance is appropriate when the homeowner needs help only to bring the mortgage and/or mortgage-related expenses current.

Such hardship must have resulted in the total housing expense (PITIA) exceeding 31% of the total gross income of the household, leading to the arrearage. Verification that homeowners will be able to make their payments will be required. Homeowner must meet eligibility and program underwriting guidelines and must complete a hardship affidavit.

Use of funds:

Loan funds can be used to help bring the past-due first mortgage current.

Assistance Will Be Provided in the Form of a Loan

A maximum of $42,000 is available to eligible homeowners who use both the UMAP and MLRP programs together, up to $24,00 in UMAP and $18,000 in MLRP. A homeowner who uses MLRP-only can receive up to $25,000.

Homeowners will be required to pay 25% of their monthly income towards their monthly mortgage payment with a minimum payment requirement of $70 per month. This will provide a reasonable period of time for homeowners to become re-employed at a salary that is sufficient for them to either resume making full mortgage payments or qualify for a mortgage modification that will lower the payments and terms of the mortgage to an affordable level.

The funds are used to pay the monthly first mortgage payment or the first mortgage arrearage and will be disbursed by Florida Housing directly to the loan servicer on behalf of the homeowner.

The funds will be in the form of a 0% interest, non-recourse, and deferred-payment forgivable loan which will subordinate to current mortgages.

The loan will be forgiven over a 5 year period starting at month 18, at a rate of 20% per year.

The loan must be paid back if the home is sold or refinanced prior to the maturity date. Florida Housing will agree to subordinate the UMAP/MLRP Loan for homeowners who refinance their first mortgage to receive more favorable loan terms. If a homeowner refinances their loan to consolidate debt or receives cash out, the homeowner would be required to repay the UMAP/MLRP Loan according to the loan terms.

Definitions:

PITI – Principal, Interest, Taxes and Insurance
PITIA – PITI + Homeowner Association Dues

Eligibility Determination

If the HHF Advisor believes that the homeowner may be eligible for the Unemployment Mortgage Assistance Program and Mortgage Loan Reinstatement Program, the Advisor will be required to verify that all information entered into CounselorDirect, by the homeowner, is accurate. The Advisor will be required to gather and assemble the following information, if applicable to the homeowner's specific situation, which will be used to make eligibility determinations:

The eligibility determinations can be broken down into three separate areas. There are specific criteria related to the homeowner, the property and the mortgage.

Unless otherwise noted, all documentation used to determine eligibility must be uploaded into the CounselorDirect system. Each document must be uploaded separately; with the exception of items of the same type (i.e. pay stubs can be placed in the same file, bank statements for each account at a financial institution can be uploaded together). Files must be named as directed in the HHF Document Checklist.

Eligibility Determination – Homeowner

1. Is the client a Legal US resident/Legal Alien?

    a. The Advisor will need to confirm legal residency status of a homeowner requesting assistance. Appropriate documentation includes a social security

card or an INS green card. A copy of the document does not need to be uploaded into the CounselorDirect System.

2. Is the client a Florida resident?

    a. The Advisor will need to confirm identity and residency status of a homeowner requesting assistance. Confirm homeowner identity using photo identification from a government agency (e.g. Florida Driver's License or Photo Identification Card) or employer (e.g. Employee Identification Card). A copy of the document does not need to be uploaded into the CounselorDirect System.

3. Does the client occupy the property as their primary residence?

    a. Proof of Homestead will suffice to ensure the property is the primary residence.
    b. If Homestead documentation unavailable, an application for Homestead, a Drivers License with the property address listed plus three months of utility bills in the name of the borrower or co-borrower may be used for primary residence verification.

4. Is the total household income below 140% AMI adjusted for household size?

    a. Income from the borrower, co-borrower, borrower's spouse, and other adult household members must be included in the calculation of total household income. The unearned income (e.g. Social Security) of minor children will be counted in the calculation of total household income. The earned income of all minor household members is excluded from total household income. If there is a co-borrower that is not residing in the home currently their income will also need to be included.

        i. Income documentation for a homeowner who receives a salary or wage:
            1. Copies the last 60 days of paystubs.

        ii. Income documentation for unemployed homeowners:
            1. Copy of the unemployment determination.
            2. Copy of monthly benefit statement.
            3. Copy of bank statement indicating deposits from unemployment division.

        iii. Income documentation for homeowners who are self-employed:
            1. Current profit and loss statement prepared by an independent third party.

2. Two months of personal and business bank statements.
3. Last two years federal income tax filings, including IRS Form 1040, Schedule C.
    a. If the homeowner has not filed taxes, they will be required to prior to being eligible for participation.

iv. Income documentation for a homeowner who receives social security, disability or death benefits, pension, adoption assistance, public assistance, or unemployment;
    1. Obtain a copy of benefits statement or letter from the provider that states the net amount, frequency, and duration of the benefit, and two most recent bank statements showing receipt of such payment.
    2. Unemployment can be confirmed with a homeowner's last two unemployment compensation benefit pay stubs, 1099s, or a notice of determination.

v. Income documentation for homeowner receiving alimony or child support;
    1. Obtain copy of divorce or other court decree, or separation agreement, or other written agreement filed with the court that states the amount and period of time over which it will be received, or two most recent bank statements showing receipt of such payment, or documentation from a child support enforcement agency or other administrator.

vi. Income documentation for odd jobs performed by the homeowner outside of salary or wage employment:
    1. Copies of checks, most recent two bank statements with deposits highlighted and a statement from the homeowner describing source of deposits and frequency of payments.

vii. Examples of other income and required documentation include:
    1. Regular, scheduled, periodic payments from trusts, annuities, inheritance, insurance policies, pensions, retirement funds, and lotteries. Copy of statement supplied from the source of the income, copies of checks or two most recent bank statements showing receipt of such payment.
    2. All public assistance payments in lieu of earnings, including social security, unemployment benefits, workers compensation, severance pay, disability or death benefits, excluding Veteran's Administration educational benefits, and Medicaid. (Food stamps are excluded in the calculation of household income.) Copy of statement supplied from the

source of the income, copies of checks or two most recent bank statements showing receipt of such payment.

3. Income from partnerships. Copy of statement supplied from the source of the income, copies of checks or two most recent bank statements showing receipt of such payment.
4. Undisbursed profits from business owned by homeowner(s) in whole or in part. If part owner, include the homeowner's pro rata share of undisbursed profits.
5. Regular cash contributions received from persons not living in household. Copies of the most recent two bank statements; and a statement from the homeowners will need to accompany this calculation describing the nature of the income.
6. The amount, if any, by which educational grants, scholarships, and/or Veterans Administration educational benefits exceed expenses for tuition, fees, books, and equipment (for all students) and reasonable rent and utility costs for a student living away from home. Copy of statement supplied from the source of the income, copies of checks or two most recent bank statements showing receipt of such payment.
7. Rental income from no more than one other property owned by the homeowner. Copy of the current rent or lease agreement.
8. Recurring Investment Gain Income. Does not pertain to gains on one time sales or gains from the sale of the homeowner's prior residence. Copy of statement supplied from the source of the income, copies of checks or two most recent bank statements showing receipt of such payments.

b. Annualizing income:

i. To compute the income from a salary or wage:
   1. Add together the gross pay from each pay stub supplied; divide this total by the number of pay stubs and then multiply by the number of pay periods within a year (i.e. if paid biweekly multiply by 26, if paid bimonthly, multiply by 24).
   2. For seasonal employees or those working for commission take the year to date gross amount; divide by the number of pay periods the homeowner has been paid; and multiply by the number of pay periods within a year.

ii. To compute the income for unemployed homeowners
   1. Multiply the benefit amounts by 26.

iii. To compute the income for self-employed homeowners (who do not pay themselves a salary)
    1. Take the net income from profit and loss statement; divide it by the number of months included in the statement; and multiply by 12.

iv. To compute annual income from social security, disability or death benefits, pension, adoption assistance, public assistance, or unemployment
    1. Multiply the gross amount paid monthly by 12.

v. To compute the annual income from child support or alimony;
    1. If homeowner is receiving court ordered amount multiply the amount received by the number of payment periods in the year.
    2. If the homeowner is not receiving the court ordered amount; provide documentation (bank statements, checks, and/or statement from homeowner) indicating amount being paid and annualize based upon the amount and frequency of payments.
    3. If payments are not made on a consistent basis do not include in income calculation.

vi. To compute annual income for odd jobs and other type of income sources;
    1. Take the average amount received over the 60 day period and multiply by 12.
    2. Income from assets is computed by taking the average balance from the most recent two statements and multiplying by the interest rate currently being applied.

vii. To compute rental income
    1. Use the most recent income tax returns to document income from a rental property that is being reported to the IRS. If the homeowner is renting a room of the home use 100% as rental income.

5. Is the total amount of assets lower than $5,000 or 3 times PITIA (whichever is greater)?

    a. Assets include, but are not limited to, all savings, checking, and money market accounts, certificates of deposits, taxable investment accounts, savings bonds, and cash. All such accounts must be in the name of the

borrower and/or co-borrower or for the benefit of the borrower or co-borrower.

i. Assets must be verified using bank statements, investment statements, and other third party documentation (the previous two months worth of statements). The amount of cash on hand may be accepted as disclosed by the homeowner.

ii. If at time of application the statements indicate that there is more than the allowed amount, the homeowner has the opportunity to provide most current balance verification from their financial institution. This will need to be either on the financial institutions letterhead and signed or a balance inquiry transaction teller stamped and signed by the financial institutions employee.

b. Retirement accounts such as IRA, 401(k), 403(b), 457, or Keogh accounts are not considered assets. Education accounts such as Florida Prepaid College Plans, 529 accounts or Coverdell Education Saving Accounts are not considered assets. Additionally, personal property such as automobiles, collectibles, antiques, and related items are not considered assets.

6. Is the total monthly housing debt greater than 31% of gross monthly income?

a. If the homeowner discloses there are additional mortgages on the property, a copy of the most recent payment statement will be required.

b. If the taxes, insurance and homeowner's association dues are not included in the first mortgage payment, documentation for these expenses is required for the calculation.

i. Using the first mortgage statement, additional lien statements, and any other required documentation; add up all required payments for PITIA. Divide the PITIA by the calculated monthly income. If the homeowner has a "pick a payment" loan, use the fully amortized payment with escrow.

c. For MLRP-only – The total housing expense (PITIA) must currently be less than 31% of the total gross income of the household.

7. Has the client experienced a qualifying hardship (unemployment / underemployment)?

a. Homeowners will only be eligible for the program if they are unemployed or substantially underemployed, through no fault of their own. Divorce,

permanent disability or death of a borrower or co-borrower is not a qualifying hardship.

b. The client with the hardship has to have a financial responsibility for the payment of the mortgage.

    i. A financial responsibility for the payment of the mortgage can be evidenced by a Note and may be able to be verified if the client's name appears on the mortgage statement.

c. Homeowner in all instances will need to certify the qualifying hardship via the Hardship Letter and the Hardship Affidavit.

    i. A homeowner will meet this criterion if receiving unemployment and no other documentation contains evidence that the job loss was the fault of the borrower or co-borrower. Unemployment can be confirmed with a homeowner's last two unemployment compensation benefit pay stubs, 1099s, notice of determination or receipt of unemployment compensation verified on bank statements.

        1. Applicants who have voluntarily left work without good cause attributable to his or her employing unit or has been discharged by the employing unit for misconduct connected with his or her work, based on a finding by the Department of Economic Opportunity are not eligible for assistance.

    ii. For substantial underemployment, the homeowner, through no fault of his/her own, must have a qualifying hardship and meets the 31% test.

8. Does the homeowner have a bankruptcy that has not been discharged or dismissed?

    a. If the homeowner has declared bankruptcy, a copy of the proof of discharge or dismissal must be provided.

    b. If the homeowner files bankruptcy during participation in the program, the homeowner will be deemed ineligible and participation terminated.

9. Has the client been convicted of a mortgage related felony in the last 10 years?

    a. The homeowner will certify their compliance with this regulation via the Dodd/Frank Certification.

10. To be considered "substantially underemployed" there must be at least a 10% reduction income for either a borrower or co-borrower in order to qualify for underemployment and through no fault of the borrower or co-borrower.

    a. If the borrower has worked at the same employer and hours or wages are reduced:

        i. Verify using past paystubs or W2 statements that income is reduced

        ii. Gather letter from employer to verify that the resulting loss in income was not the fault of the employees.

    b. If the borrower or co-borrower is working at a new employer:

        i. If the borrower collected Unemployment Benefits

            1. Verify and document the receipt of Unemployment Benefits

            2. Verify and document that the income at the previous employer was greater than current income by at least 10% utilizing past pay stubs or W2 statements.

        ii. If the borrower or co-borrower did not collect Unemployment Benefits:

            1. Verify and document that the job loss at the previous employer was through no fault of the borrower or co-borrower via third party verification.

            2. Verify and document that the income at the previous employer was greater than current income by at least 10% utilizing past pay stubs or W2 statements.

Eligibility Determination – Property

1. Is the property located in Florida?

    a. The homeowner will supply a copy of the recorded mortgage and a copy of the deed. The Advisor will verify these two documents are for the same property and that the property is located in Florida.

2. Does the property qualify (single family, townhouse, condo where financial reporting for the condominium association, pursuant to s. 718.111(13), F.S., for the most recent two

years are provided by the Applicant, 1 to 4 family home where owner occupies one unit and mobile or manufactured home on permanent foundation)?

a. Review the recorded mortgage for any pertinent riders to assist in determining eligibility.

i. If the homeowner resides in a 1 to 4 family home, are the other units rented and is the income from these units included in the income calculation?

b. If homeowner resides in a condo, applicant must supply the most recent two years financial reporting pursuant to s. 718.111(13), F.S.

i. Florida Housing will maintain a listing of Condo Associations where the financial statements have been received and approved by the Corporation.

3. Does the homeowner own more than one other property?

a. Review the application to see if the applicant disclosed multiple properties.

b. Documentation from other portions of the eligibility determination can assist with this requirement.

i. Tax returns showing rental income.

ii. Deeds supplied by the homeowner when determining whose income to use for eligibility determination.

4. Is the property abandoned, vacant or condemned?

a. Verify the response given in CounselorDirect with the homeowner.

b. Florida Housing may receive further information regarding the condition of the property when exchanging data with the homeowner's mortgage servicer.

Eligibility Determination – Mortgage

1. Is the client's mortgage with a regulated financial institution, Habitat for Humanity or USDA or other servicing entity that is a regulated institution?