



**FULTON COUNTY HOME OWNERSHIP PROGRAM (HOP)  
PARTICIPATING LENDER MEMORANDUM OF UNDERSTANDING**

THIS Memorandum of understanding, made and entered into as of the day of \_\_\_\_\_, 20\_\_\_\_, by and between Fulton County, Georgia, a political subdivision of the State of Georgia (hereinafter referred to as the "County"), acting by and through its duly elected Board of Commissioners, and under the HOME Entitlement allocation and \_\_\_\_\_ (Hereinafter referred to as the "Participating Lender").

Fulton County's Home Ownership Program, hereinafter referred to as HOP, and is designed to assist eligible home buyers, who are seeking to purchase a home in Fulton County jurisdictional area. Fulton County Government, since 1992, has implemented the program primarily funded by HOME Entitlement Funds received from the U.S. Department of Housing and Urban Development (HUD) and is governed by federal regulations: 24 CFR PART 92- Home Investment Partnerships Program. The HOME Entitlement Program was created by the National Affordable Housing Act of 1990 (NAHA), with the intentions of providing decent, safe, and affordable housing to lower-income households, expanding the capacity of nonprofit housing providers, strengthening the ability of state and local governments to provide housing, and leveraging private-sector participation. Since the inception of the Home Ownership Program, Fulton County has entered into partnerships with a number of lending institutions who are required to comply with the Community Reinvestment Act (CRA).

HOP is designed to enhance home ownership opportunities for low-income families by alleviating obstacles prospective homebuyers may face: the down payment and or closing costs. To qualify, Homebuyers must select a participating HOP lender and comply with all program requirements. The program will assist approved homebuyers with down payment and closing cost in the form of a deferred payment soft second mortgage loan, which does not require repayment as long as the home remains the primary residence, not default and is occupied by the borrower for a period of six (6) to 11 years or based on the amount of funds invested.

**W I T N E S S E T H**

WHEREAS, the Lender is duly qualified to engage in the business of originating mortgage loans. Now Therefore, in consideration of the promises and the consideration described hereof, the parties agree to that in order to participate in the program the Lender must adhere to the following:

1. Is a legally organized business entity with a properly licensed business office or branch office located in the State of Georgia. Different branch offices of the same legal entity will not qualify as an individual lender.
2. Be compliant and current on licensing requirements as required by the Secretary of State Corporations Division: (<http://www.sos.georgia.gov/>) submit proof of current license.
3. Have, as a principal purpose, the origination of secured home loans.
4. Be an approved FHA Direct Endorsement lender and VA lender.
5. Be an approved Fannie Mae or Freddie Mac Seller/Service or be a federally insured financial institution.
6. Demonstrate a proven ability to originate mortgage loans for sale in the secondary market.

7. Maintain quality control and management systems to evaluate and monitor the quality of loan production and compliance with Fulton County procedures.
8. Maintain adequate and active fidelity bond and errors and omissions coverage in amounts equal to that required by the secondary mortgage markets; agree to any modifications needed to meet HOP requirements.
9. Have no administrative actions by the courts, or the Georgia Dept. of Banking and Finance in force against it (including but not limited to Cease-and-Desist Order, Superior Court Injunctions, etc.).
10. Have a commitment to the Community Reinvestment Act, and be compliant with applicable Federal, State, and Local regulatory lending guidelines.
11. Agree to HUD HOME and internal Fulton County HOP modifications, as necessary and or required.
12. Perform mortgage loan origination and selling functions as an Independent contractor and Principal—not as an Agent or Representative on behalf of Fulton County.
13. Comply with bank regulation’s guidance or non-traditional mortgage. See Statement on Subprime Mortgage Lending issued by the Office of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury, and National Credit Union Administration.) This statement is available at <http://www.fdic.gov/regulations/laws/rules/500000-5160.html>
14. If the proposed participating lender is a non-profit, the entity must provide evidence of the ability to underwrite 2nd mortgages as well as have internal procedures and quality control measures. As a non-profit entity, some requests on the participating lender application are not required as a result; and
15. Each Lender shall comply with all applicable local, state, and federal laws that relate to fair housing, equal credit opportunity, truth-in-lending and wrongful discrimination in residential lending.

Additionally, the Participating Lenders agree to be responsible for the following tasks:

1. Ensuring that compliance with the requirements set forth in the Home Ownership Policies and Procedures Manual and federal regulations governing the HOME Program and other applicable lending practices and rules.
2. Ensuring that Loans originated and sold under HOP meet the eligibility requirements for the Program.
3. Underwriting all Loans submitted to Fulton County for HOP’s underwriting approval prior to closing.
4. Closing with the coordinating of Fulton County Second Mortgage Loan and ensuring all applicable fees are necessary and reasonable. The closing document must reflect the intangible tax for both the first and the second loan.
5. If applicable, submitting required documents to the Mortgage Insurer and obtaining the mortgage insurance, and arranging for the transfer of the insurance to the appropriate agency.
6. Arranging for the prompt transfer of Loan servicing to an eligible Loan Administrator.
7. Having adequate staff and facilities to originate and sell quality loans on a timely basis.
8. Ensuring that lender staff is knowledgeable in all aspects of loan origination and selling.
9. Having fully documented written procedures and quality control measures to determine that those procedures are operational.
10. Protecting Fulton County against fraud, misrepresentation, or negligence by any parties involved in the origination process.
11. Assisting each applicant with the requirements of the Home Ownership Assistance Program and advising each applicant of the status of his or her Loan application.
12. Designating a Program contact person.
13. Participate/Attend any lender training provided by Fulton County HOME staff prior to loan submittal and/or as mandated by the department.
14. Using a qualified closing attorney. Each firm/ Closing Attorneys or Settlement Agents must be registered as a Fulton County vender in the Fulton County Government’s financial system in order to receive payment for Closings. A loan will not be able to close without the closing office being a Fulton County Vendor. Please use the following link to access Fulton County’s on-line Vendor Self Service registration application and enroll as a

vendor as soon as possible. <https://www.fultoncountyga.gov/inside-fulton-county/fulton-county-departments/purchasing-and-contract-compliance/vendor-registration-information> ; and

15. The lender must send to the Fulton County Department of Community Development staff written notice of any organizational changes contemplated, included but not limited to: a) resignation or replacement of any senior management personnel; b) mergers; c) changes in ownership over 25% by whatever means; d) change in corporate name; e) change in a savings and loan association's charter from federal to state or vice versa or change to a banking association; and f) material change in financial position.

Fulton County retains the right to limit, suspend, or terminate any company's participation in the Home Ownership Assistance Programs for any failure to abide by the terms of this document, the HOP Policy Manual and any federal regulation.

The Undersigned swears or affirms that the contents of this memorandum of understanding have been carefully read and that the information is true and correct. The Lender also acknowledges and agrees that the information and/or documentation submitted in connection with the programs offered by the Fulton County Home Ownership Assistance Program on its own behalf may be subject to public disclosure as required by open records laws.

Fulton County, Georgia Department of Community Development:

\_\_\_\_\_  
Signature of the Director,

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed or Typed Name of Director

Sworn to and subscribed before me this \_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Participating Lender's Name

By:

\_\_\_\_\_  
Officer/Authorized Signature

\_\_\_\_\_  
Printed or Typed Name of Signing Officer/Authorized  
Signature

\_\_\_\_\_  
Title of Signing Officer/Authorized Signature

My commission expires \_\_\_\_\_  
(Notary Seal Affixed Here)

Optional: Lender Seal

