

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF NORMAN AND
NEIGHBORHOOD HOUSING SERVICES-OKLAHOMA CITY, INC.**

This Agreement made and entered into this _____ day of _____, 2024 by and between The City of Norman, an Oklahoma municipal corporation, hereinafter referred to as "CITY" or "the CITY", and Neighborhood Housing Services-Oklahoma City, Inc., hereinafter referred to as "Neighborhood Housing Services", "NHS" or "CONTRACTOR".

W I T N E S S E T H

WHEREAS, the CITY has received funds through a grant from the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships Act (HOME) at Title II of the Cranston-Gonzalez National Affordable Housing Act (Act), as amended; and

WHEREAS, the CITY uses a portion of the HOME grant to fund a Down Payment Assistance Program which assists low to moderate income homebuyers in achieving homeownership; and

WHEREAS, the CITY solicited proposals for an organization to process the Down Payment and Closing Costs Assistance (DPA) applications; and

WHEREAS, the Neighborhood Housing Services – Oklahoma City, Inc. responded to the solicitation and has demonstrated capacity to provide the professional services required to process DPA applications, file notes and mortgages in favor of the CITY, review loan documents to guard against abusive lending practices, to provide expert advice and advocacy to applicants with regard to the HOME Program and the Real Estate Settlement Procedures Act, as amended; and

WHEREAS, the CITY desires to engage the CONTRACTOR to provide the professional services necessary to process DPA applications in conjunction with its federal-funded loan program, effective the date of execution of the Agreement, retroactive to July 1, 2024, through June 30, 2025;

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements hereinafter set forth, it is agreed as follows:

I

TERM: The term of this Agreement shall be effective July 1, 2024 through June 30, 2025, unless sooner terminated by the parties hereto.

II

COMPENSATION AND METHOD OF PAYMENT: The CITY shall pay CONTRACTOR in an amount not to exceed a unit processing fee of \$700.00 (Seven hundred dollars), as program delivery, per DPA loan made, which shall constitute full and complete compensation for CONTRACTOR's services hereunder; provided however:

Payment for services shall include reimbursement for actual DPA, as outlined in this Agreement plus the unit processing fee. CONTRACTOR shall also be entitled to an additional \$250.00 (two-hundred and fifty dollars) for each client receiving DPA, as program delivery, if CONTRACTOR provides the HUD-required Homebuyer Education from a HUD certified Homebuyer Education Counselor. Invoices shall be paid monthly when warranted by expenditures, based upon statements supporting the number of DPA loans made during the billing month for services.

III

SCOPE OF SERVICES: CONTRACTOR shall act as an independent contractor for the CITY and shall provide services throughout the contract term.

Specifically, CONTRACTOR shall perform the following:

1. Comply with all laws, legislative rules, and regulations governing mortgage loans, which apply to a professional organization employed as a Contractor to undertake the performance of such services.
2. Provide expert advice to clients and the City on matters related to Real Estate Settlement and Procedures Act (RESPA), the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) and the TILA-RESPA Integrated Disclosure Rule (TRID) regulations, which specifically apply generally to the management of mortgage loans and loan administration.
3. Comply with regulations for the HOME Program as directed in 24 CFR Part 92, as applicable.
4. Shall comply with requirements established by the System for Award Management (SAM) database, and the Federal Funding Accountability and Transparency Act, including 2 CFR Part 25, Appendix A to Part 25, and 2 CFR Part 170.
 - a. CONTRACTOR and its subcontractors, each and all of them, prior to entering a contract for the use of HOME funds shall:
 - (i) Register or update registration in the System of Award Management (SAM) Federal database of debarred contractors, and
 - (ii) Obtain a valid Unique Entity ID number (UEI), and
 - (iii) Maintain an active and approved SAM registration with current information at all times during which it has an active contract or award involving HOME funds.

5. Represent and assist the CITY in processing DPA loans in accordance with CITY adopted DPA Program Guidelines (as amended and attached hereto as “Exhibit 1”), for clients referred to CONTRACTOR for that purpose.
6. Tasks to be performed by CONTRACTOR:
 - A. CONTRACTOR shall affirmatively market the DPA program to the public through media, home ownership counseling programs, brochures, or handbooks, and prominently cite the CITY and HUD as the source of funding in all publications. All publications shall include the Equal Housing Opportunity logo.
 - B. CONTRACTOR shall determine and document all individual client DPA application files with evidence of income eligibility using the IRS Method of income verification, which may include the following: the most current year’s income tax return, two (2) months of the most recent payroll stubs (or other income source documents such as wage statements, interest statements, unemployment compensation or SSI statements), two (2) months banking statements and/or other income verification for all adult members of the household, per 24 CFR 92.203. CONTRACTOR shall use such information to project twelve (12) months’ future household income.
 - C. CONTRACTOR shall submit documentation to City staff for approval prior to closing, showing the home purchase is sustainable for the proposed homebuyer, which includes but is not limited to: 1) a detailed budget; 2) housing ratio and total-debt-to-income ratio; 3) Loan To Value (LTV) ratios; 4) FEMA Flood Plain status; and 5) verification of the equivalency of two months principal, interest, taxes and insurance (PITI) in a homebuyer reserve account, and 6) any other underwriting considerations.
 - D. CONTRACTOR shall provide homebuyer counseling conducted by a HUD-certified Homebuyer Education Counselor, and provide a certificate of completion to the income-eligible prospective homebuyer prior to closing on the purchase of the home.
 - E. CONTRACTOR shall provide for the safe storage and retention of hardcopies of records for each client assisted for twelve (12) months following the end of the term of affordability.
 - F. CONTRACTOR shall provide accommodations for DPA applicants with physical disabilities as necessary to comply with the Americans with Disabilities Act (ADA).
 - G. CONTRACTOR shall ensure a copy of the City’s “Homebuyer Written Agreement” (See Exhibit 1, Item 1.4, attached hereto) is executed by both the City and the Homebuyer prior to closing on purchase of the house.

- H. CONTRACTOR shall ensure that all DPA clients execute a Homebuyer Down Payment Assistance (DPA) Deferred Note and Mortgage (Mortgage) Agreement securing the DPA funds advanced and complying with HOME Program requirements. Each DPA mortgage shall name the CITY as the recipient of any mortgage proceeds arising from nonperformance by the Homebuyer.

The Mortgage shall provide the loan will be forgiven if the client remains in occupancy of the assisted residence for a consecutive period of sixty (60) days and five (5) calendar years thereafter. There is no forgiveness during the first sixty (60) days following home purchase closing date by the homebuyer(s). Mortgages for the HOME Program shall allow forgiveness of the mortgage at the rate of **one-sixtieth (1/60) per month**. Provided, however, if a homeowner ceases to occupy the home as his or her primary residence during the forgiveness period, but maintains ownership of the property, then all loan funds provided shall become immediately due and payable and no forgiveness shall apply.

IV

CONFLICT OF INTEREST: CONTRACTOR shall have in place safeguards to protect the interests of both the CITY and HUD, which are the sources of all funding for the programs covered by this Agreement.

Conflict of interest regulations address real or apparent conflicts, and general public perception of conflict of interest. HOME regulations at 24 CFR 92.356(b) and (c) describe the prohibition of a person in a decision-making position from exercising functions or responsibilities regarding HOME assisted activities. Those in a position to gain inside information may not obtain a financial interest in, or benefit from, a HOME assisted activity; nor have an interest in any contract, subcontract or agreement with respect thereto or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. This prohibition shall be construed as being applicable to the CONTRACTOR organization. CONTRACTOR shall immediately disclose an awareness of any perceived conflict of interest regarding this operating Agreement.

In its Agreement with the CITY, CONTRACTOR shall agree to the following Conflict of Interest provisions:

1. Restriction against CONTRACTOR or its employees and agents receiving compensation from the borrower or other interested parties for recommendations or actions favorable to a borrower, e.g., suppressing information about the income of the borrower that would influence the approval of the applicant.
2. CONTRACTOR shall not solicit financing or refinancing transactions from borrowers served or covered under this Agreement.

V

TERMS AND CONDITIONS: This Agreement is subject to and incorporates the applicable provisions of 2 CFR 200. Said Terms and Conditions provide for:

1. Administrative, contractual, or legal remedies where contractors violate or breach contract terms and provide for such sanctions and penalties as may be appropriate.
2. Termination for cause and for convenience by the grantee or subgrantee, including the manner in which it will be effected and the basis for settlement as stated in Section XII.
3. Compliance with Executive Order 11246, September 24, 1965 entitled "Equal Employment Opportunity" as amended by Executive Order 11375, October 13, 1967, and as amended by Department of Labor regulations at 41 CFR Part 60.
4. Compliance with the Copeland "Anti-Kickback" Act as supplemented in Department of Labor regulations at 29 CFR Part 3.
5. Notice of awarding agency requirements and regulations pertaining to reporting.
6. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention, which arises or is developed in the course of or under such contract.
7. Notice of awarding agency requirements and regulations pertaining to copyrights and rights in data.
8. Access by the grantee, the sub-grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books and records pertaining to the services provided herein for monitoring or auditing purposes.
9. Compliance with Section 109 of Title I of the Housing and Community Development Act of 1974, and HUD regulations which require, in part, that no person in the United States shall on the grounds of race, color, creed, national origin, age, disability, sex, actual or perceived sexual orientation, gender identity, marital or familial status, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to the Act. Program or activity is defined as any function conducted by an identifiable administrative unit of the recipient, or by any unit of government, subrecipient, or private contractor receiving community development funds or loans from the recipient. Coverage under the Act is extended to services provided for which compensation is paid.
10. Reversion of assets: Upon termination of this Agreement, CONTRACTOR shall remit or convey to the CITY any HOME funds on hand at the time of termination, any accounts receivable attributable to the use of HOME funds, and any real property under CONTRACTOR'S control that was acquired or improved in whole or in part

with HOME funds. Also, any real property under CONTRACTOR'S control that was acquired or improved in whole or in part with HOME funds in excess of \$25,000 shall be:

- (i) Used to meet HOME program objectives until five (5) years after expiration of the Agreement, or for such longer period of time as determined to be appropriate by the CITY; or
- (ii) Disposed of in a manner that results in the CITY being reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-HOME funds for acquisition of, or improvement to, the property.

VI

ADMINISTRATIVE REQUIREMENTS:

CONTRACTOR shall comply with applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 2 CFR Part 200.

1. CONTRACTOR shall comply with the provisions of 2 CFR Part 200.420 through 200.475 which detail acceptable cost principles and "Considerations for selected items of cost".
2. The Provisions of 2 CFR 200.305(b) shall govern payments to Subrecipients and Contractors as applicable. Subrecipient and Contractor determinations are defined in 2 CFR 200.330. The CITY shall comply with the standards of 2 CFR 200.305(b) in making payments to Subrecipients and Contractors, except that no requests for advance funds will be considered.
3. CONTRACTOR shall submit to the CITY monthly invoices, along with performance reports concerning completed DPA transactions, in a format prescribed by the City, and delivered electronically to the Planning Department, Housing & Community Development Division, by no later than the 15th of the month following the expenditure.
4. CONTRACTOR shall furnish to the CITY all reports required by HUD and such additional reports as may be necessary to comply with all applicable laws, regulations, and guidelines. Further, CONTRACTOR shall provide any other reports deemed reasonably necessary by the CITY upon request. The CITY, HUD or the Comptroller General of the United States or any of their duly authorized representatives shall at all times have the right and option to monitor, inspect, audit and review CONTRACTOR'S performance and operation of the Community Development Program to be performed under this Agreement; and in connection therewith, all of the above- mentioned entities shall have the right to inspect any and all records, books, documents, or papers of CONTRACTOR and the subcontractors of CONTRACTOR, for the purpose of making audit examinations, excerpts and transcriptions.

5. CONTRACTOR SHALL SUBMIT TO THE CITY A COPY OF ITS ANNUAL INDEPENDENT AUDIT WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THE REPORT, BUT NOT LATER THAN NINE (9) MONTHS AFTER THE END OF THE AUDIT PERIOD (OR SUCH LONGER PERIOD AGREED TO IN ADVANCE BY THE CITY) AS REQUIRED IN 2 CFR 200.512.
6. The minimum records retention period referenced in 2 CFR 200.334 pertaining to individual HOME activities is three (3) years, but CONTRACTOR shall retain records during the DPA program affordability period and for at least twelve (12) months after the end of the affordability period for each loan processed.
7. CONTRACTOR shall comply with the provisions of 2 CFR 200.340, as well as Section XII hereof, related to termination of this Agreement.

VII

DPA ASSISTANCE FORGIVABLE LOANS, GEOGRAPHIC AREAS FOR USE OF SUCH FORGIVABLE LOANS, AND AMOUNTS OF DPA ASSISTANCE THAT SHALL BE PROVIDED:

1. Funding to NHS for the DPA program in the amount **not to exceed \$120,000** is being provided to reimburse expenses incurred from July 1, 2024 through June 30, 2025, subject to the constraints identified herein.
2. **DPA in Target Areas:**
Each applicant qualifying for DPA assistance shall be eligible to receive as a forgivable DPA loan the following amounts of funds from the HOME DPA Program.

CONTRACTOR is authorized to process HOME DPA forgivable loans for homebuyers, which shall be no more than \$14,999. The actual amount shall be determined on a case specific basis based on the financial need of the homebuyer, and the adopted underwriting standards for DPA to purchase homes within Target Areas. The Target Areas include the following neighborhoods: First Courthouse, Old Silk Stocking, and Original Townsite and other target areas as may be established by CITY. CITY expansion of Target Areas will not require a contract amendment.

Note: Funding availability and sources are as specified above and from no other source.

VIII

NONDISCRIMINATION: In connection with the performance of work under this Agreement, CONTRACTOR agrees as follows:

1. CONTRACTOR shall not to discriminate against any employee or applicant for employment because of age, race, creed, color, religion, ancestry, place of birth, sex, gender identity or expression, sexual orientation, familial status, or marital status, including marriage to a person of the same sex, national origin, disability, or any other

status protected by the law. CONTRACTOR shall take affirmative action to ensure that employees are treated without regard to their age, race, creed, color, religion, ancestry, place of birth, sex, national origin, gender identity or expression, sexual orientation, familial status, or marital status, including marriage to a person of the same sex, disability, or any other status protected by the law. Such actions shall include, but not be limited to the following employment, upgrading, demotion or transfer, of pay or other forms of compensation and selection for training, including apprenticeship.

2. CONTRACTOR shall include this non-discrimination clause in any subcontracts connected with the performance of this Agreement.

IX

HOLD HARMLESS CLAUSE: CONTRACTOR shall defend, indemnify and save harmless the CITY from all claims and causes of action against the CITY for damages or injury to any person or property arising solely out of, or in connection with the negligent performance or negligent acts of CONTRACTOR, its subcontractors, agents or employees under this Agreement. Besides the foregoing, CONTRACTOR shall hold harmless the CITY from any liability arising from the claims of CONTRACTOR's subcontractors or any others that CONTRACTOR might employ or obtain services or materials from for the performance of this Agreement.

X

INSURANCE: CONTRACTOR shall provide liability insurance coverage in the amount of \$1,000,000.00, naming the CITY as Certificate Holder and additional insured.

XI

INDEPENDENT CONTRACTOR STATUS: CONTRACTOR shall be an independent contractor of the CITY.

CONTRACTOR shall conduct itself in a manner consistent with its independent contractor status and further shall neither present itself as, nor claim to be an officer, employee or agent of the CITY by reason of this Agreement, and that it will not by reason of this Agreement, nor make any claim, demand, or application for any right or privilege applicable to an officer, employee or agent of the CITY, including, but not limited to, workers' compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit. CONTRACTOR shall provide a Certificate of Insurance to the CITY verifying coverage or that CONTRACTOR is exempt from this requirement.

XII

TERMINATION: In accordance with 2 CFR 200 Appendix II (B), this Agreement may be suspended or terminated prior to the expiration of the term by unanimous written agreement by the parties to this Agreement. The CITY may also unilaterally terminate or suspend this Agreement, in whole or in part, upon ten (10) day's written notice from the CITY to the CONTRACTOR for the following reasons:

1. Failure to perform the services set forth in the scope of services and requirements

incident thereto.

2. Making unauthorized or improper use of funds provided under this Agreement.
3. Submission of an application, report or other documents pertaining to this Agreement that contains misrepresentation of any material aspect.
4. The carrying out of the Scope of Services or the objectives of this Agreement is rendered improvable, unfeasible, impossible, or illegal.
5. Failure of the U.S. Department of Housing and Urban Development (HUD) to make funds available or if HUD suspends funds for any reason.
6. Upon the determination of the CITY that the Agreement be suspended or terminated, without cause.

Termination or suspension of this Agreement shall not affect otherwise valid and allowable obligations incurred in good faith prior to receipt of a notice of termination or suspension.

XIII

MISCELLANEOUS: In connection with the performance of work under this Agreement, CONTRACTOR agrees as follows:

1. Should it become necessary to determine the meaning or otherwise interpret any word, phrase or provision of this Agreement, or should the terms of this Agreement in any way be the subject of litigation in any court of law or equity, it is expressly agreed that the laws of the State of Oklahoma shall exclusively control same, and any such litigation shall be brought in the appropriate Courts of Cleveland County, Oklahoma.
2. Funding under this Agreement is conditioned on the CITY'S determination to proceed with, modify or cancel any project based on the results of a subsequent environmental review for each individual home that the prospective buyer is seeking assistance. CONTRACTOR shall carry out each activity in compliance with all Federal laws and regulations described in Subpart K of 24 CFR 570, except that:
 - a) CONTRACTOR does not assume the CITY'S environmental responsibilities with respect to 24 CFR 570.604; and
 - b) CONTRACTOR does not assume the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 52.
3. CONTRACTOR certifies by execution of this Agreement that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. CONTRACTOR shall require that all subcontractor agreements funded under this Agreement include this certification by the subcontractor.

4. Only the following persons shall be eligible for assistance using these proceeds:
 - a) Those who qualify as a citizen by birth, naturalized citizen or national of the United States; or
 - b) Have been issued a green card under the Immigration and Nationality Act (INA).
 - c) Have permanent residence under §249 of INA; or
 - d) Have refugee, asylum, or conditional entry status under §§207, 208, or 203 of the INA; or
 - e) Have parole status under §212(d) (5) of the INA; or
 - f) Have threat to life or freedom under §243(h) of the INA; or
 - g) Have received Amnesty under §245(a) of the INA.

XIV

CERTIFICATIONS: Contractor shall execute the following certifications:

1. LOBBYING CERTIFICATION: Contractor shall execute a lobbying certification as an attachment 'A' to this Agreement:

2. CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS. Contractor shall execute the related certification as an attachment 'B' to this Agreement:

CONTRACTOR states that it possesses experience, knowledge, and ability in conducting and performing the program that is the subject of this Agreement and agrees to use such experience, knowledge, and ability in its prosecution and completion of this Agreement for the benefit of CITY. CONTRACTOR agrees to put forth its best efforts on behalf of the CITY herein and promises to adhere to good business and professional practices in its prosecution and completion of this Agreement.

XV

GENERAL PROVISIONS.

1. Assignability of Agreement

CONTRACTOR agrees that this Agreement contemplates personal performance by CONTRACTOR and is based upon a determination of CONTRACTOR's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of CONTRACTOR under this Agreement will be permitted only with the express written consent of the CITY, which consent may be withheld for any reason.

2. Successors and Assigns

CONTRACTOR and CITY agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of CONTRACTOR and CITY.

3. Governing Law, Jurisdiction and Venue

CITY and CONTRACTOR agree that the construction and interpretation of this Agreement and the rights and duties of CITY and CONTRACTOR hereunder shall be governed by the laws of the State of Oklahoma, and any action to enforce the same shall be brought in the Oklahoma District Court for Cleveland County,

4. Compliance with Laws

CONTRACTOR agrees to comply with all City, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the services performed by CONTRACTOR pursuant to this Agreement.

5. Severability

CITY and CONTRACTOR agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

6. Waiver


CITY and CONTRACTOR agree that no waiver of a breach of any provision of this Agreement by either CONTRACTOR or CITY shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either CITY or CONTRACTOR to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

7. Counterparts

CITY and CONTRACTOR agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

**PROFESSIONAL SERVICES CONTRACT
AFFIDAVIT**

I, Katrina Washington, certify that Neighborhood Housing Services has not previously entered into a contract with the CITY or any other entity which would result in a substantial duplication of the final product required by the proposed Agreement.

Signed: 
State of OKLAHOMA
County of OKLAHOMA

Before me, the undersigned, a Notary Public, in and for said County and State on this 18 day of July, 2024, personally appeared Katrina Washington to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Executive Director and acknowledged to me that she executed as her free and voluntary act and deed and as the free and voluntary act and deed of such agency, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year above written.


Notary Public

SEAL

My Commission Expires: 11-03-2024

My Commission Number: 04010052



Attachment A
CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid, or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal Loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontract, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

BY


Title: Executive Director

DATE 07-18-2024

Attachment B

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS- PRIMARILY COVERED TRANSACTIONS**

- (1) CONTRACTOR certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; and
 - (b) Will require that all subcontract agreements funded under this Agreement include this certification by the sub-contractor; and
 - (c) Have not within a three-year period preceding this proposal been convicted of or had a civil Judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
 - (d) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - (e) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Date 7/18/24


Executive Director

Exhibit 1 –CITY OF NORMAN DOWN PAYMENT ASSISTANCE (DPA) PROGRAM GUIDELINES

1.1. Figure 1- DPA Program Boundaries/Target Zones

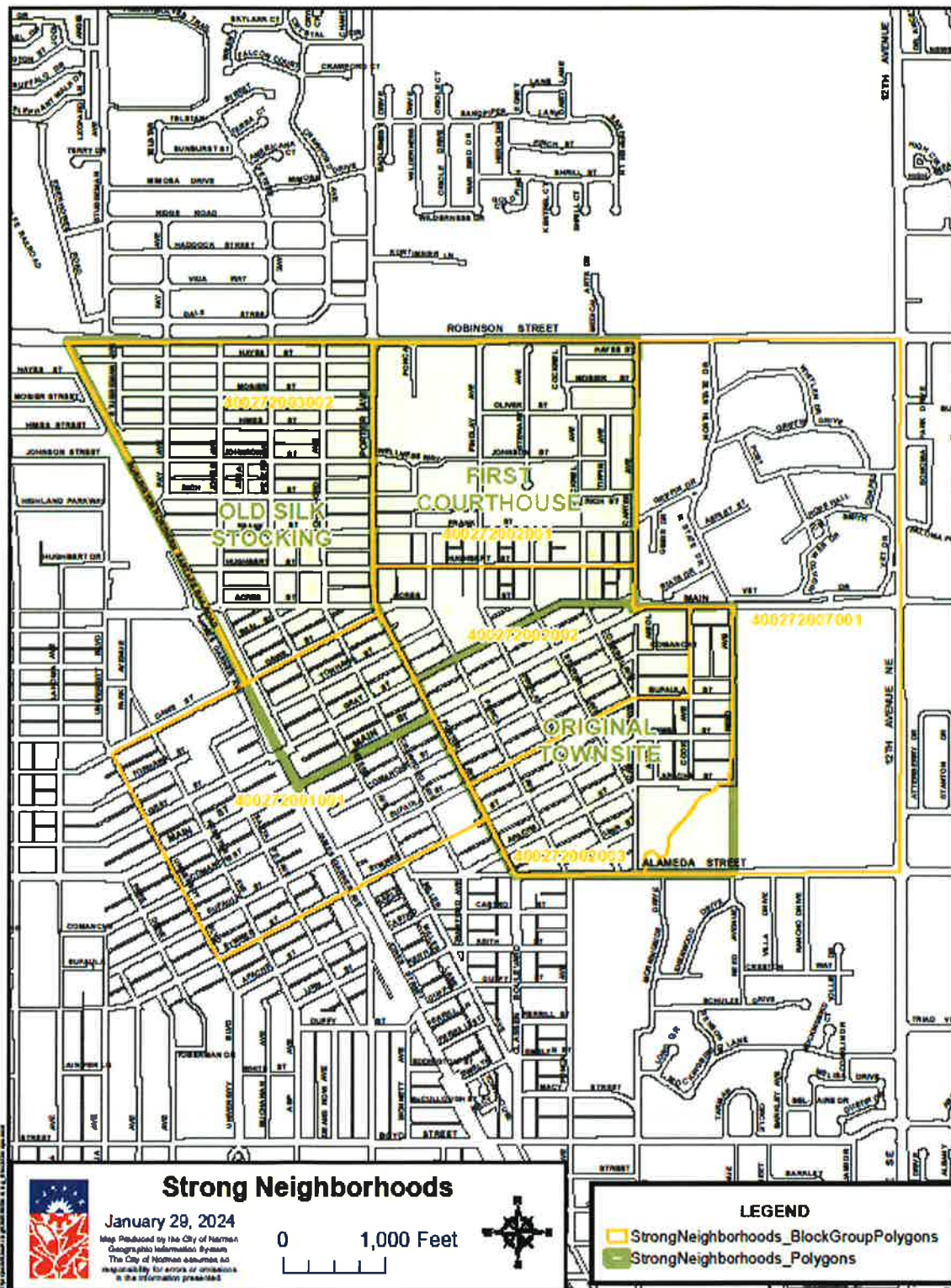


Exhibit 1- CITY DOWN PAYMENT ASSISTANCE (DPA) PROGRAM GUIDELINES

1.2 – Standard Requirements

1. The DPA program will utilize the IRS Method of Income Determination. Assistance is available only to households with income less than or equal to 80% of the Area Median Income (AMI), based on household size for the Oklahoma City MSA, as determined each year by HUD.
2. DPA assistance in the form of a forgivable loan, per household shall not exceed \$14,999.00. The actual amount shall be determined on a case- specific basis, based on the financial need of the homebuyer, and the City's adopted underwriting standards as stated in number 16 below.
3. The Affordability Period shall be five (5) years and sixty (60) days, prorated 1/60th per month, secured by a Homebuyer Deferred Note & Mortgage Agreement in favor of The City, which shall be filed of record with the Cleveland County Clerk. Also, a stand-alone Homebuyer Agreement shall be executed by the City and the homebuyer prior to closing on the sale of the property. The Mayor's stamped signature is sufficient, except for those Homebuyer Agreements that will be required to be filed with the Cleveland County Clerk. Staff will advise the Professional Service Providers of those instances when they occur.
4. All marketing activities will clearly promote the program as City of Norman DPA programs and will prominently give credit to The City and HUD for the provision of funds. Any marketing or informational materials will display The City's, HUD's, and Equal Housing Opportunity logos.
5. Each assisted household must participate financially in the purchase of the home. The minimum investment by the DPA recipient will be 1% of the sales price and may be in any form, i.e., out-of-pocket expense for earnest money, appraisal, credit report, etc. Liquid assets of more than \$15,000 must go towards the purchase of the home, as practicable.
6. Assistance may be applied to eligible closing costs and down payment. No amount of assistance shall be returned to homebuyer at closing or any other time.
7. Subordination requests may be approved if the proposed refinancing clearly shows significant benefits, such as a lower interest rate or shorter term, provided there is no cash to borrower from equity, and provided The City remains in the same or better priority position on the mortgage. The new mortgage shall not have a loan-to-value ratio (LTV) greater than 95% and refinance fees must be reasonable and customary for the Norman housing market.
8. All DPA recipients must attend a Home Buyer Education class conducted by a HUD-certified Homebuyer Education Counselor and shall provide a Certificate of Completion prior to receiving DPA assistance.

9. No sub-prime loans are allowed. All DPA programs will guard against abusive lending practices and review for the “7 Signs of Predatory Lending” as published by the Center for Responsible Lending:
- Single Premium Credit Insurance
 - Prepayment Penalties
 - Yield Spread Premiums
 - Mandatory Arbitration
 - Steering
 - High Fees
 - Flipping
10. All clients receiving DPA must secure a 1st mortgage with a “fixed” interest rate (No Adjustable Rate Mortgages, Interest Only Payment Mortgages, Negative Amortizing Mortgages, Prepayment Penalties, Mandatory Arbitration, 1st Mortgages with a term greater than 30 years are allowed or any other similar mortgage), and property taxes and hazard insurance must be escrowed (no non-escrowed loans). Transfer of ownership shall be by Warranty Deed only. All closings must be held locally, with the cost to abstract title as a seller’s expense.
11. The required property insurance, held by the owner, must list The City as a lien holder during the “period of affordability”.
12. The home purchase transaction must comply with regulations for the Home Investment Partnerships Program contained in 24 CFR Part 92, as amended and as may be applicable.
13. Qualified households purchasing manufactured housing are restricted from DPA unless the home is located on property owned by the DPA recipient, listed as real estate on the county tax rolls, and permanently affixed to a foundation with the transporting chassis removed.
14. The home purchase price may not exceed 95% of median sales for Norman for existing housing or new construction housing, as published by HUD annually.
15. DPA is prohibited for properties located within FEMA designated 100-year Flood Zones and floodways. A verifying certificate is required. DPA Provider must submit a request for environmental review and be approved for each address prior to closing and submit a fully executed Homebuyer Agreement with each invoice.
16. Underwriting Standards: Each DPA transaction will be underwritten to 90% LTV with no LTV >95%. Front-end ratio (PITI compared to gross monthly income) must be less than 34% and the back-end ratio (total debt including PITI and other revolving debt compared to gross monthly income) no greater than 43% without compensating factors.
17. A detailed budget including all debt, proposed principal, interest, taxes and insurance (PITI) and household expenses must show the home purchase is sustainable, to include two months of PITI in reserve.

Exhibit 1- CITY DOWN PAYMENT ASSISTANCE (DPA) PROGRAM GUIDELINES
(continued)

1.3 – Eligible Closing Costs

Items payable in connection with loan

- Loan Origination Fee-no more than $\leq 1\%$ of principal (+\$200 on loans \leq \$100,000)
- Points to buy down interest rate
- Appraisal Report
- Credit Report
- Flood Certification Fee – Must show property is not in 100 yr. flood zone

Items Required By Lender to be Paid in Advance

- Interest from ____ to ____ Days
- Mortgage Insurance Premium
- Hazard Insurance Premium

Reserves Deposited With Lender

- Hazard Insurance
- Mortgage Insurance (buyer may bring additional funds to avoid mortgage insurance)
- County Property Taxes

Title Charges

- ½ Settlement/Closing Fee
- Abstract or Title Search – must be a seller's expense – no assistance applied
- Title Examination
- Document Preparation Fee
- Notary Fee
- Title Insurance

Government Recording and Transfer Charges

- Recording Fees Deed/Mortgage Releases
- City/County Tax/Stamp Deed/Mortgage
- State Tax/stamp
- Mortgage Certificate/Documentary stamp

Additional Settlement Charges

- Property Survey – Pin Surveys fees are capped
- Pest Inspection
- Home Inspection
- Home Service Warranty (from buyers' contribution)

NOTE: Fees must be reasonable and customary for the area. Other Borrower- paid costs are not automatically approved but will be reviewed on a case-by-case basis.

Exhibit 1- CITY DOWN PAYMENT ASSISTANCE (DPA) PROGRAM GUIDELINES
(continued)

1.4 -- Homebuyer Agreement Template

City of Norman – HOME Program Homebuyer

Written Agreement

NOTICE TO HOMEBUYER: *This Agreement explains the terms of the purchase assistance you are receiving through the HOME Investment Partnerships Program. This Agreement is separately enforceable from the Homebuyers Down Payment Assistance (DPA) Deferred Note and Mortgage Agreement. Read each paragraph carefully and ask questions regarding any sections you do not fully understand before you sign.*

THIS AGREEMENT is entered into this _____ day of _____, 20____ by and between the City of Norman, an Oklahoma municipal corporation (“**the City**”), and _____, (the “**Homebuyer**”).

WITNESSETH

WHEREAS, the City is a Participating Jurisdiction under the HOME Investment Partnerships Program (“**HOME**” or “**HOME Program**”) administered by the United States Department of Housing and Urban Development (“**HUD**”) and is authorized by HUD to provide homebuyer assistance through its Consolidated Plan; and

WHEREAS, HOME regulations at 24 CFR Part 92 govern the City’s implementation of the HOME Program and are made a part this Agreement; and

WHEREAS, the City has determined that the Homebuyer meets the HOME Program eligibility requirements to purchase the dwelling located at _____ (the “**Property**”) at the price of \$ _____ (the “**Purchase Price**”) and will assume ownership by virtue of a Warranty Deed upon closing.

NOW, THEREFORE, in accordance with the mutual understandings and agreements set forth herein, the City and the Homebuyer(s) agree as follows:

SECTION 1. FORM, AMOUNT, AND USE OF ASSISTANCE

The City may provide the Homebuyer an amount not to exceed \$14,999.00 as necessary to assist the Homebuyer with a down payment, closing costs, and/or a portion of the Purchase Price of the Property, which is considered the direct HOME Assistance to the Homebuyer. **The amount of HOME Assistance to Homebuyer will not be calculated until the City has updated all necessary underwriting and subsidy layering requirements based on final Purchase Price and/or closing costs.** The final amount will be shown in the City’s Homebuyer Down Payment Assistance (DPA) Deferred Note and Mortgage filed at the time of closing on the purchase of the property by the homebuyer.

The Homebuyer agrees that the HOME Assistance provided will be used at closing as gap financing to cover portions of the down payment, closing costs, interest rate reduction and/or the Purchase Price of the Property. This will reduce the total amount the Homebuyer will have to borrow from a bank, credit union, or other lender in order to purchase the Property.

The assistance will be provided in the form of a deferred loan. The Loan will be evidenced by a HOMEBUYER DOWN PAYMENT ASSISTANCE (DPA) DEFERRED NOTE AND MORTGAGE AGREEMENT executed by the Homebuyer in favor of City (“**Note**”) to be filed in the official real property records of the county in which the Property is located (“**Mortgage**”). The terms and duration of the Loan are specified in the Note and Mortgage, and the Note and Mortgage will be released upon repayment of the Loan under the terms set forth therein. The Homebuyer may, but is not required to, prepay the Loan, in whole or in part, at any time. See Section 7 for terms of recapture of funds.

SECTION 2. AGREEMENT TERM.

This Agreement will automatically terminate if the Homebuyer does not close and take title to the Property on or before _____, 20_____, which date is sixty (60) days after final transaction approval by the City. Otherwise, this Agreement will expire upon expiration of the Affordability Period as defined in Section 3, below, or satisfaction of the Mortgage, whichever is later.

This Agreement shall survive any prepayment of the Loan and/or any release of the Mortgage/Deed of Trust that does not include a transfer of the Property and shall continue for the full Affordability Period, as defined in Section 3.

SECTION 3. AFFORDABILITY PERIOD

The Affordability Period for the Property will begin on the Completion date as determined by the City (“**Completion Date**”) and shall end five (5) years after the Completion Date (the “**Affordability Period**”). As required by the HOME Program, the Completion Date is the date the activity is shown as completed in HUD’s Integrated Disbursement and Information System (IDIS). The City has adopted a period of sixty (60) days after the Homebuyer’s closing date in which to complete the activity in IDIS, during which time there will be no forgiveness in the affordability period.

If the Homebuyer sells or transfers ownership of the Property voluntarily or involuntarily, including via foreclosure or deed in lieu of foreclosure, the Affordability Period will end upon the recapture of the full amount of the direct HOME Assistance by City as described in Section 7 below.

SECTION 4. HOMEBUYER REPRESENTATIONS

By signing this Agreement, the Homebuyer attests to the following:

- The Homebuyer warrants that all information and documentation provided to the City is true and correct. The Homebuyer has fully disclosed all income and assets to the City and warrants that the Homebuyer’s household or financial situation has not changed materially since the application for HOME Assistance was made. The Homebuyer acknowledges that any material discrepancies or misstatements may result in the Homebuyer’s disqualification from participation in the program and shall be deemed a breach of this Agreement and the Loan, and the Homebuyer will be required to repay the entire HOME investment amount.
- Once the homebuyer has entered into a contract for purchase or contract for a newly constructed home, the prospective homebuyer’s income is not required to be reverified prior to closing on that property.
- The Homebuyer has completed homeownership counseling as required by the City and will complete any post-closing counseling required by the City.

- The Homebuyer has agreed to purchase a dwelling unit that meets HOME Program requirements, and that the dwelling unit must meet Program property standards prior to purchase.
- The Homebuyer understands and agrees to the requirements stated in this Agreement for the Agreement Term.

SECTION 5. HOMEBUYER RESPONSIBILITIES

The Homebuyer agrees to the following to meet the requirements of this assistance:

- The Homebuyer will provide the following buyer funds required for closing or paid before closing:
\$ _____.
- The Homebuyer will occupy the property as the principal residence for the Affordability Period as described in Section 6.
- The Homebuyer will maintain the property, maintain hazard insurance, and pay all required taxes during the term of this Agreement as described in Section 8.
- The Homebuyer will provide information as required by the City to monitor compliance with Program requirements.
- The Homebuyer will comply with the refinancing policy stated in Section 9.
- If sale of the property occurs during the Agreement Term, the Homebuyer will notify the City and comply with Recapture requirements in Section 7.

SECTION 6. PRINCIPAL RESIDENCE

During the Affordability Period, barring a sale or transfer of title to the Property, which shall be governed by Section 7 below, the Homebuyer shall at all times maintain the Property as his/her principal residence. Should the Homebuyer cease to maintain the Property as his/her principal residence, rent the residence to another party, or convert the Property to a non-residential use, the Homebuyer will be in breach of this Agreement and subject to the Default and Enforcement provisions under Section 11.

SECTION 7. RECAPTURE OF DIRECT HOME ASSISTANCE

In compliance with the HOME Rule at 24 CFR 92.254(a)(5), if the Homebuyer sells or otherwise voluntarily or involuntarily transfers title to the Property during the Agreement Term, including transfer as a result of foreclosure or deed in lieu of foreclosure, then the outstanding direct HOME Assistance to the Homebuyer will be subject to recapture by the City.

The “Recapture Amount” will be determined as follows:

The amount of forgiveness of the loan shall be based on the time the home/property is occupied by the assisted homebuyer as its principal residence. After the first sixty (60) days of ownership, the City will forgive 1/60th of the loan for each month the home/property is occupied by the homebuyer as its principal residence. If the property is sold or title is transferred during the affordability period, the amount recaptured will be prorated and that amount will be repaid to the City from the net proceeds from the sale or transfer of title of the property.

If there are no net proceeds of sale or the net proceeds are insufficient to repay the Recapture Amount, then the entire net proceeds, if any, will be recaptured and retained by City to satisfy both this Agreement and the Loan. The term “net proceeds” is defined as the sale price less the balance due on superior secured debt and closing costs incurred by the Homebuyer at sale or transfer. If the

net proceeds are less than the outstanding Loan balance, the City reserves the right to determine whether the sales price is comparable to the sales price in an arms-length transaction for a similar unit and to evaluate the closing costs being charged to the Homebuyer to ensure they are reasonable and customary. Net proceeds of sale in excess of the outstanding direct HOME Assistance will be retained by the Homebuyer.

To facilitate the expeditious administration of this Section, the Homebuyer shall provide notice to the City of any anticipated transfer of title, including but not limited to a sale or foreclosure.

If the Homebuyer is determined to be in violation of this Agreement, the full amount of the Loan shall be due and payable as stated in Section 11.

SECTION 8. INSURANCE AND TAXES

At all times during the term of this Agreement, the Homebuyer shall maintain a valid and current hazard insurance policy on the Property for the current appraised value of the Property, naming the City as an additional loss payee in primary coverage. Failure to maintain a valid and current insurance policy will be considered a breach of this Agreement, and the City will have the right to secure insurance for the Property and charge such costs to the Homebuyer or to foreclose on its Mortgage. All hazard insurance and property taxes shall be secured in escrow with the first mortgage lender during the affordability period as necessary, to protect the HOME program investment.

At all times during the term of this Agreement, the Homebuyer shall pay property taxes and other assessments of the City. Homebuyer agrees the City shall be listed as an additional insured on the homebuyer's property insurance.

SECTION 9. REFINANCING

During the Agreement Term, the Homebuyer shall notify the City of the intent to refinance any loan that is senior to the HOME Mortgage. The City will only approve subordination of the HOME debt to a new loan in compliance with its then current refinancing policy.

SECTION 10. CITY RESPONSIBILITIES

As the HOME Participating Jurisdiction, the City is ultimately responsible to HUD for compliance with all HOME requirements, including the ongoing enforcement of this Agreement regarding principal residency and recapture.

- The City has determined the Homebuyer to be eligible in accordance with the HOME Program's income limits and other eligibility requirements and will review any changes to eligibility at time of closing or upon a bona fide purchase contract, whichever is earlier.
- The City has determined the property to be eligible under the HOME Program's requirements, including Program purchase price limits and property standards.
- The City has completed the environmental review required by 24 CFR Part 58 and determined that the property and assistance meet federal requirements.
- The City has determined the amount of Homebuyer's assistance to be reasonable and in compliance with Program requirements and its underwriting policy, and may adjust the assistance based on final price, costs and underwriting.

SECTION 11. DEFAULT AND ENFORCEMENT

In the event the Homebuyer violates any terms of this Agreement or any other agreement between the Homebuyer and the City, the City shall issue a notice of violation to the Homebuyer. Upon receipt of such a notice, the Homebuyer agrees to remedy the violation within 30 days or, in the case of

violations requiring longer cure periods, the City may allow for a period of up to 90 days to correct the violation. In such cases, the Homebuyer shall take action to *begin* corrections within 30 days of the date of the City's notice of violation. Upon the Homebuyer's failure to correct the violation within the allotted time, the City may take additional corrective action including suing for specific performance, declaring a default in the Loan and initiating foreclosure proceedings, and seeking any other available legal remedies.

In the event of the Homebuyer's uncured violation of the principal residency provisions of Section 5, the Homebuyer will be required to repay the entire HOME investment in the Property.

SECTION 12. MISCELLANEOUS

This Agreement shall be construed and interpreted in accordance with Oklahoma law. If legal action occurs resulting from a dispute hereunder, the parties agree that the State and federal courts of the State of Oklahoma shall have jurisdiction, and that the proper forum for such action shall be Cleveland County, State of Oklahoma.

None of the rights and remedies conferred upon or reserved to the City under this Agreement are intended to be exclusive of any other rights, and each and every right shall be cumulative and concurrent, and may be enforced separately, successively, or together, and may be exercised from time to time as often as may be deemed necessary by the City.

The paragraph headings contained herein are for convenience in referring to this Agreement and are not intended to define or to limit the scope of any provision. Where appropriate, all personal pronouns used herein, whether used in the masculine, feminine or neutral gender, shall include all other genders and singular nouns used shall include the plural and vice versa.

Executed and effective as of the day and year first above written and for the purposes herein expressed, by the City, signing by and through its authorized signer, and by the Homebuyer.

(Executions appear on a separate page and attached hereto)

BY:

Homebuyers (Printed Names)

Homebuyers (Signatures)

Date: _____

STATE OF OKLAHOMA)
) SS.
COUNTY OF CLEVELAND)

Before me, the undersigned, a Notary Public, in and for said County and State on this ____ day of _____, 20____, personally appeared _____ to me known to be the identical person who subscribed the name of the maker thereof.

Given under my hand and seal of office the day and year above written.

(SEAL)

My Commission Expires:

Notary Public

My Commission #:

BY:

Mayor

Date

Conformance with 2 CFR Part 200.332

The following information is included in this Agreement to conform to the requirements of 2 CFR 200.332:

NEIGHBORHOOD HOUSING SERVICES-OKLAHOMA CITY, INC.

UEI:C1LKDYNCCXB1

Federal Award Identification Number (FAIN): M-23-MC-20-0204 (\$60,000) and M-24-MC-20-0204 (\$60,000)

Federal Award Date: July 1, 2023 and July 1, 2024

Subaward period of performance and budget period: See Section I above;

Amount of Federal Funds Obligated by this Agreement: \$120,000

Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): This award is a contract for the Agency to provide professional services to eligible clients seeking down payment and closing costs assistance in purchasing homes in approved geographic locations and under program guidelines shown in Exhibit 1 above.

Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity: The Federal awarding agency is the HUD as defined in the above recitations. The CITY as defined above is the recipient agency providing the subaward to NEIGHBORHOOD HOUSING SERVICES-OKLAHOMA CITY, INC. The contact information for the Mayor is:

The Hon. Larry Heikkila
Mayor of Norman
201 W. Gray
Norman, OK 73069

Assistance Listing Number (aka CFDA): 14.239; Title: Home Investment Partnerships Program.