

**HOME PROGRAM AGREEMENT
FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM
CITY OF NASHUA, NEW HAMPSHIRE**

This AGREEMENT is entered into this [] Day of [], 20[], between the City of Nashua, New Hampshire (hereinafter referred to as the “City”) and **NAME**, first-time homebuyer, of **CURRENT ADDRESS**, (hereinafter referred to as the “Borrower”).

WHEREAS, the City is receiving funds from the United States Department of Housing and Urban Development (HUD) pursuant to HUD’s HOME Investment Partnership Program (HOME Program), and

WHEREAS, the City is authorized to award funds under the HOME Program pursuant to the Cranston-Gonzalez National Affordable Housing Act and the regulations adopted by HUD under the HOME Program as contained in 24 CFR 92 *et. seq.* (the HOME Regulations), and

WHEREAS, the Borrower is a first-time homebuyer of the property at **ADDRESS OF PROPERTY TO BE PURCHASED**, pursuant to a deed recorded with the Hillsborough County Registry of Deeds, and

WHEREAS, the Borrower has requested HOME funds to be used for the purchase of said property, and

WHEREAS, the intent of this agreement is to enable the Borrower to acquire and occupy said property as a HOME-eligible first-time homebuyer;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and additionally contained in the terms specified in accompanying documents (listed below), the City shall provide **GRANT AMOUNT (\$DOLLARS)**, subject to Borrower’s execution of the following documents:

- Deferred Payment Loan/Promissory Note
- Mortgage and Security Agreement

HOME PROGRAM PROJECT REQUIREMENTS

1. SALES PRICE: This commitment is conditioned on the sales price being determined by the City to be reasonable and within HOME Program price limits as published by HUD.

2. AMOUNT OF HOME SUBSIDY: The HOME subsidy has been determined to be the amount needed by the Borrower to afford the unit under the City’s homebuyer program policies, and will not exceed the per unit limits specified by HUD based upon the number of bedrooms per unit.

3. PROPERTY STANDARDS: The property must meet HOME property standards for acquisition of existing housing, as found at 24 CFR 92.251(c)(3). The City will inspect the unit prior to closing. The HOME funds will not be provided or the closing occur until and unless the property meets program property standards or provisions have been made as part of the closing to immediately complete any needed repairs.

4. INCOME ELIGIBILITY: The household income must be within the HOME Program low-income limits (80% of the area median income by family size, as defined by HUD), as determined by the City no longer than six months prior to closing and delivery of assistance. However, if the closing and

delivery of assistance does not occur within six months of this determination, income eligibility must be re-determined by the City, and the Borrower agrees to provide any information required by the City.

5. **CONFLICT OF INTEREST:** The Borrower certifies that no member of the household (or those with whom they have business or immediate family ties) is an officer, employee, agent, elected official, appointed official, or consultant of the City of Nashua.
6. **COUNSELING:** The Borrower must receive housing counseling acceptable to the City prior to closing.
7. **TERM OF LOAN:** The HOME assistance is subject to an affordability period of five (5) years from the date of closing. During this period, the Borrower must comply with all of the requirements of this Agreement.
8. **PRINCIPAL PLACE OF RESIDENCE:** The City, pursuant to federal regulations, requires that the Borrower agree to remain in the property as the Borrower's principal place of residence for the affordability period as noted above. If the Borrower does not reside in the premises for the affordability period, the full amount of the HOME assistance shall immediately become due and payable.
9. **RECAPTURE ON SALE OF PROPERTY:** If the Borrower sells the property during the term of the loan, the Borrower shall repay the full amount out of the net proceeds of the sale, as specified in the Deferred Payment Loan /Promissory Note and Mortgage and Security Agreement. If net proceeds are insufficient to pay the entire amount, only the amount of net proceeds will be required to satisfy the Loan.
10. **CITY'S RIGHTS AND REMEDIES:** It is intended and agreed that the City of Nashua shall be deemed an intended beneficiary of the agreements and covenants of the Borrower, its successors and assigns provided in the foregoing paragraphs, both in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants shall run in favor of the City for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the City has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies and to maintain any actions or suits at law or in the equity or other proceedings to enforce the curing of such breach of agreement or covenant to which it or any other beneficiaries of such agreement or covenant may be entitled.
11. **REPORTING REQUIREMENTS:** The Borrower shall supply to the City on behalf of the Borrower such reports and information as the City shall reasonably request to allow the City to comply with its reporting requirements to HUD on an annual basis, commencing twelve (12) months after execution of this agreement.
12. **BREACH OF CONTRACT:** In the event the Borrower breaches the conditions of this agreement, the City shall pursue all legal remedies reasonably calculated to ensure that it recovers the funds. All HOME program funds received by the Borrower under this section and any applicable penalties and fees will become due and payable, should the Borrower fail to fully comply with the terms of this agreement.

Should it be discovered that the Borrower provided false information or withheld information in order to become eligible for HOME down payment assistance, the entire balance of the principal will become immediately due and returned to the City. The Borrower will pay any legal fees in the event legal remedies incurred by the City may be required to recapture these mortgage funds.

13. FORECLOSURE OF PRIOR MORTGAGE: In the event of a foreclosure of a prior mortgage, the Borrower agrees that the net proceeds of a foreclosure sale (after payment of the prior mortgage) shall be paid to the City in payment of the amount loaned under this HOME Agreement.

14. INDEMNIFICATION: The Borrower shall indemnify and hold harmless the City against all loss, damages, liability and costs, including legal expenses, for anything and everything whatever arising from, or out of, the negligence of the Borrower, or failure by the Borrower to comply with any of the covenants, terms and conditions of this Agreement.

15. REVIEW OF DOCUMENTS: The City retains the right to review and approve all documents used by the Borrower to transfer the property.

EXECUTED AS A SEALED INSTRUMENT THIS [REDACTED] DAY OF [REDACTED], 20[REDACTED]:

BORROWER'S NAME (PRINTED): _____

BORROWER'S SIGNATURE: _____

CITY APPROVAL BY: _____

[REDACTED], Mayor
City of Nashua, New Hampshire

DATE: _____