

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
CORRESPONDENT LENDER**

PROGRAM LOAN PURCHASE AGREEMENT

THIS AGREEMENT dated as of the ____ day of _____, 20____ between the **WEST VIRGINIA HOUSING DEVELOPMENT FUND**, a public body corporate and governmental instrumentality of the State of West Virginia (hereinafter referred to as the “Housing Development Fund”), and the institution designated as “Correspondent Lender” (hereinafter referred to as the “Correspondent Lender”) in the execution blank below.

WHEREAS, the Housing Development Fund, under the provisions of West Virginia Code §31-18-1, *et seq.* (the “Act”), is authorized to purchase loans for the financing of residential housing for occupancy by persons meeting eligibility requirements established pursuant to the Act (hereinafter collectively called “Program Loans”);

WHEREAS, the Correspondent Lender desires to earn a fee by performing certain loan origination and processing services for Program Loans to be funded and closed by Housing Development Fund; and

WHEREAS, the Housing Development Fund is willing to review and consider Program Loans offered by the Correspondent Lender, from time to time, for assignment to the Housing Fund in accordance with the terms of the Agreement and applicable law;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter contained and the mutual benefits to be derived herefrom, it is hereby agreed as follows:

Section 1. GENERAL REPRESENTATIONS OF CORRESPONDENT LENDER. The Correspondent Lender hereby represents and warrants to the Housing Development Fund as follows:

- (1) the Correspondent Lender is not under any cease and desist order or other order of a similar nature, temporary or permanent, of any federal, state or local authority, nor are any proceedings pending or to its knowledge contemplated which would, if successful, lead to the issuance of such order;
- (2) this Agreement is the valid and binding agreement of the Correspondent Lender, enforceable in accordance with its terms, the making and performance of which have been duly authorized by all necessary corporate and other actions and will not constitute a violation of any law or judicial or administrative requirement, or of the charter or bylaws of the Correspondent Lender, or a default under any agreement or instrument to which it is a party by which it is bound or affected; and

- (3) all consents, licenses, permits and approvals legally required for the making or performance of this Agreement by the Correspondent Lender have been obtained and are in full force and effect.

SECTION 2. SERVICES AND PAYMENT. For each loan that: (i) Correspondent Lender performs the requisite services described in A or B below, (ii) is accepted by the Housing Development Fund, and (iii) that becomes a closed loan; Housing Development Fund will pay to the Correspondent Lender the amount of \$425. To become eligible to receive this amount, the Correspondent Lender shall perform all services listed in category A and at least two of the five items listed in category B, resulting in a minimum of six services completed.

A.

1. Taking information from the borrower and filling out a standard application;
2. Analyzing the prospective borrower's income and debt and pre-qualifying the prospective borrower to determine the maximum mortgage that the prospective borrower can afford;
3. Educating the prospective borrower in the home buying and financing process, advising the borrower about the types of loans available and demonstrating how closing costs and monthly payments could vary under various loan types;
4. Collecting financial information (tax returns, bank statement) and other related documents that are part of the application process.

B.

1. Ordering the appraisal on the property with authorization by Housing Development Fund;
2. Maintaining regular contact with the borrower, realtors and the Housing Development Fund between application and closing to appraise them on the status of the application and gather any additional information as needed;
3. Ordering inspections or engineering reports with authorization by the Housing Development Fund;
4. Ascertaining through CBC Flood Services whether the property is located in a flood zone;
5. Participating in the loan closing.

A copy of any loan application that Correspondent Lender desires Housing Development Fund to consider MUST be faxed within 24 hours of the taking of the application. If it is a purchase, the sales contract must be attached and if a refinance loan, a copy of the current deed must be attached. In the event that the copy of the loan application is not faxed within 24 hours, unless the prior written consent of the Housing Development Fund is given, then the application shall be void and the correspondent Lender will not be paid any amount hereunder with respect to the late application or any loan made on the basis of a

late application, whether or not the Housing Development Fund knew or should have known that the application was submitted late.

Payment to the Correspondent Lender will be issued by check within thirty (30) days after the closing date.

Section 3. PROGRAM LOAN TERMS. The maximum interest rate and term for the Program Loan shall be specified and communicated to Correspondent Lender by the Housing Development Fund from time to time.

Section 4. SERVICING. To the extent that it has the right to do so, the Correspondent Lender assigns the servicing of these Program Loans to the Housing Development Fund.

Section 5. PROGRAM LOAN WARRANTIES. The Correspondent Lender hereby represents and warrants as to each and every Program Loan assigned to the Housing Development Fund pursuant to this Agreement as follows:

- (1) the Program Loan has been made to an Eligible Borrower to finance an Eligible Single-Family Dwelling, all in accordance with the set Guidelines;
- (2) the Correspondent Lender has no knowledge of any material misstatement or omission in the documents and information provided by or on behalf of the Eligible Borrower or the Correspondent Lender in connection with the Program Loan;
- (3) the Acquisition Cost (as defined in the Program Guidelines) was not at the time of closing in excess of the limitation established;
- (4) the terms, covenants and conditions of the Program Loan have not been changed in any respect which would materially affect the value, validity, enforceability or prompt payment of the Program Loan;
- (5) on the Delivery Date, the Correspondent Lender has met all eligibility requirements provided in the Application Guidelines;
- (6) all signatures are the authorized and fully binding commitment of the signatory;
- (7) Correspondent Lender has performed any and all services necessary to earn the payment described in Section 2.

Section 6. RESPONSIBILITY. The Correspondent Lender will be held responsible to the extent of the level of participation listed in Section 2 and the Application Guidelines.

Section 7. APPLICABLE LAW. This Agreement is made and entered into in the State of West Virginia and all questions relating to the validity, construction, performance, and enforcement hereof shall be governed by the laws of the State of West Virginia. The Correspondent Lender hereby consents to the jurisdiction of and venue in

the Circuit Court of Kanawha County, West Virginia, for any legal proceeding in connection with this Agreement.

Section 8. ASSIGNMENT. This Agreement may not be assigned by the Correspondent Lender without prior written consent of the Housing Development Fund. In the event of any attempted assignment thereof without such written consent the Housing Development Fund may, at its option, terminate this Agreement, but such termination shall not relieve the Correspondent Lender of its obligations hereunder.

Section 9. SUCCESSORS AND ASSIGNS. This Agreement and all obligations and rights arising hereunder shall bind and inure to the benefit of the Housing Development Fund and the Correspondent Lender and their respective successors and permitted assigns.

Section 10. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same Agreement.

Section 11. TERMINATION. Except as otherwise provided for herein, this Agreement may be terminated by either party upon written notice, effective upon receipt.

Section 12. AGREEMENT CONDITIONED UPON APPROVAL. This Agreement shall be a binding obligation of the Housing Development Fund only upon its execution and delivery of a copy of the same to the Correspondent Lender, as provided above.

IN WITNESS WHEREOF, the parties hereto have set their hands as of this date and year set forth above.

WEST VIRGINIA HOUSING
DEVELOPMENT FUND

By: _____
(Authorized Representative of WVHDF)

By: _____
(Authorized Signature of Correspondent Lender)

(Name of Correspondent Lender) (Please print)

Title: _____