

City of Plano
COMMUNITY SERVICES DIVISION

$$\begin{aligned} \text{City's Shared Equity} &= \text{The Total Equity to be Shared} \times \text{City's Percentage of Shared Equity} \\ &= \$35,000 \text{ (example B)} \times 21.74\% \text{ (example A)} \\ &= \$7,609 \end{aligned}$$

C. In the event that the Property depreciates in value at the time of the sale, and the proceeds or appraised value are not sufficient to cover the repayment amount required, the loss is shared with the City based on the percentage equal to the percent of City's contribution of the original sale price. The amount of depreciation will be subtracted from the Subsidy the Homeowner will pay back, if any.

Part II. Underwriting and Subsidy Layering Process

Section I Eligibility Determination

A. Application- Face-to-Face Interview

Only complete application(s) will be reviewed and processed. Therefore, HCSC must ensure that applicant(s) and all household member(s), who are 18 years and older, provide complete application(s) and all supporting documents as listed on the second page of the application at the time of the face-to-face interview. During the face-to-face interview, HCSC will discuss the following:

1. A home buying process;
2. Number of households and maximum income requirement;
3. Qualifying criteria; and
4. Program's general requirements.

HCSC must ensure that all items listed in the qualifying criteria and general requirements are discussed and that applicants have complete understanding of the program.

B. Length of Employment and Analysis of Stability of Employment Income

Stable and reliable flow of income is a key driver of successful homeownership. HCSC must ensure that applicant(s) utilizing employment income to obtain a mortgage has consistent, stable and established employment income. Applicant(s) considered to have employment stability must:

1. Be employed at a minimum of one (1) year. Applicant(s) with less than one (1) year of employment is automatically denied;

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2. The applicant(s) with less than 6 months of employment with current employer must provide evidence that applicant has been working in the past 12 months. Acceptable forms of evidence include, but not limited to, letter from previous employer(s), paystubs, and any other combinations of documents deemed acceptable by HCSC; and
3. Any gaps in employment of more than one month must be explained in writing and if possible, documentation provided that explains the gaps.

C. Evaluating Credit History

Once applicant(s) provide all required documents, the application can be processed. HCSC will utilize credit score and credit reports as a first step of eligibility determination.

Applicant(s), including non-borrowing spouses, must demonstrate a credit history of responsible borrowing and repayment. To analyze credit(s), HCSC must ensure the following:

1. A credit report and CAIVRS report are pulled for all applicants including non-borrowing spouses;
2. Applicants have a minimum credit score of 620 to qualify. Applicant(s) and/or spouse with credit score less than 620 will automatically be denied. Spouse and/or co-borrowers without a credit score may be eligible providing that non-traditional credit history (minimum of 3 creditors) can be verified and have no more than two 30-day late payments in the previous 12 months. Acceptable forms of non-traditional credit history include utility payment records, rental payments, monthly car insurance payments;
3. Collection accounts, like judgments, and any judgments against the applicants must be paid off by close of escrow;
4. Applicant(s) who is currently delinquent on or has defaulted on federally assisted loans including student loan will be ineligible for assistance;
5. Any bankruptcy must have been discharged for at least two (2) years and good credit re-established;
6. A three-year waiting period is required for applicant(s) with any history of foreclosure, deed-in-lieu of foreclosure, charge-off of mortgage account, or pre-foreclosure sales, also known as short sales. The three-year waiting period is measured from the completion date of the deed-in-lieu of foreclosure, pre foreclosure sale, or charge-off

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as reported on the credit report or other documents provided by the applicant(s);

7. The name, social security number, address, employment, and alias names matched documents provided;
8. All derogatory credit must be explained in writing. HCSC will analyze the derogatory to determine if the late payments were a disregard for financial obligations and/or an inability to manage debt; and
9. The City reserves the right to underwrite the file completely to ensure fair and accurate information is presented in the determination of applicant eligibility. This may require additional documents be supplied by the applicant(s). Applicant(s) with multiple recurring late payments show a disregard for credit obligations and a lack of responsibility and may be denied the assistance.

D. Evaluating Income and Eligibility

The following will be reviewed to determine applicant's eligibility under the program. Applicant(s) determined to be eligible but without executed real estate purchase contract will be pre-approved contingent upon property, financial and loan requirements; therefore, being eligible does not guarantee the applicant's final approval for funding.

1. Required Documents:
 - a) Six most recent pay stubs;
 - b) Six months asset statements for each account;
 - c) Social security cards for all household members;
 - d) Valid government-issued photo identifications for all household members;
 - e) Birth certificates for all Household members (or passports);
 - f) Citizenship or permanent resident alien documentation for applicant(s) and spouse(s);
 - g) Documentation on other sources of income such as child support, social security;
 - h) Last two years of personal federal tax returns and W2s (including schedules for self-employed, contract labor, commissions and tips);
 - i) Last two years of business returns;

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- j) Evidence of HUD-approved housing counseling received;
- k) Homeownership Education Certification. Applicant(s) are required to attend a 8-hours homeownership education class; and
- l) Evidence of collection, judgment is paid in full at the time of or prior to closing using acceptable source of funds. Exception may be granted for applicant(s) with a judgment or collection greater than \$5,000; providing that applicant(s) can document a valid and written agreement with the creditor to make regular payments on debt and evidence of applicant(s) timely payments of that debts for the last three (3) months of schedule payments.

Note: All documents must be less than six months old at the time of closing, unless the purpose is not affected by the prescribed timeframe (tax returns, divorce decrees).

2. Income Requirements

Anticipated annual income of all adults in the household is determined using Annual Income Method described in Title 24 Part 5 of the Code of Federal Regulations and can be found in the HUD's Technical Guide for Determining Income and Allowance. Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

- a) HCSC must document the applicant(s)'s income and employment history, verify accuracy of the amount of income being reported. For all employment related income, HCSC will use one of the following methods:
 - Obtain a written verification of employment from the current employer(s);
 - If verifications cannot be obtained, the buyer's documentation such as pay stubs and bank statements will be used;
- b) Retirement income, social security, disability, child support, etc. must be documented by verification, tax returns, awards letters, attorney general data or what documentation leaves no question as to the income amount;
- c) Applicant(s) who is self-employed or owns a business must provide year-to-date profit and loss statement. Business

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and/or self-employment income will be calculated using average of 2 years net proceeds as shown in the tax returns.

This income will be counted, regardless of the length of time the applicant(s) has been self-employed;

- d) The bank statements will be reviewed to determine the source of deposits. Each deposit will be looked at to determine if the source of that deposit was from payroll, child support, social security, gift, etc. Letter of explanation for deposits along with supporting documents must be provided for any large deposits or recurring deposits that do not reconcile with reported income. If the applicant(s) cannot explain the source of funds other than payroll deposits, those additional deposits will be averaged for the 6 months and counted as income;
- e) If the total cash value of all the family's assets is \$5,000 or less, the actual income the family receives from assets is the amount that is included in annual income as income from assets. However, when net family assets are more than \$5,000, annual income will include imputed income calculated based on passbook saving rate currently set at 0.06% of total cash assets. Typical sources of assets include:
- Cash
 - Equity
 - Stocks
 - Retirement Accounts
 - Pension Funds
 - Life Insurance
 - Personal Property
 - Lump Sums
 - Deeds;
- f) If the member is a minor below the age of 18, the member's income is set to \$0 when the annual gross income is calculated. However, if the income is received by an adult on behalf of a minor (e.g. child support, SSI), income will be included with the adult member of the household who receives that income on behalf of the minor child;

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- g) If the member is over 18 and is a full time student and is not head or co-head (spouse) of household and if the sum of all his/her anticipated annual income is over \$480, then the total amount of his/her income is capped at \$480;
- h) HCSC should refer to HUD's Technical Guide for Determining Income and Allowances for the HOME Program for more details on sources of income;
- i) To calculate income, HCSC will utilize the Financial Review Form found at:
<Z:\CommunityServices\Administration\Forms\FTHBForms>; and
- j) The applicant(s) must have a total household income at or below 80% of Dallas area median income (based on total household gross income). Applicant(s) with income greater than 80% of AMI, with adjustments based on household size, is not eligible and application will automatically be denied.

E. Approval-Contingency Or Pre-approval and Deny Process

Once the application and all supporting documents are reviewed, verification of income received, eligibility approval is valid for 6 months upon the initial application date. Updated documentation must be provided for each renewal of eligibility, and such documentation is subject to review by HCSC for continued program participation.

Section II Maximum Purchase Prices

In compliance with the HOME Program Section 215(b) of NAHA and Section 92.524(a)(2)(iii) of the Final Rule published on July 24, 2013, any home to be purchased under the City of Plano's First Time Homebuyers Program cannot have a sales price exceeding \$273,000 (existing home) and \$278,000 (new construction). The effective date of the maximum sales price is April 15, 2019 and remain in effect until HUD issues new limits.

Section III Eligible Properties and Inspections

- A. Eligible type of properties include pre-existing and newly constructed single family homes (1 to 4 family residence, and condominium unit) and are located in Plano, Texas. Properties deemed ineligible include mobile homes, manufactured homes, properties located in the 100-year floodplain or floodway.
- B. During the period the property is offered for sale and at the time of sale, the unit must be vacant, occupied by the buyer, or occupied by the seller. In no case shall a tenant be displaced by the sale. The signed Seller's Occupancy

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Certification form must be received by the HCSC prior approval. The form can be found at the FTHB web page.

- C. An eligible property must be decent, safe, sanitary, in good repair, and meet the City of Plano's minimum housing standards and all applicable codes as certified by an inspection conducted by the City of Plano's Housing Rehabilitation Project Coordinator (Coordinator).
- D. Upon receiving the executed purchase contract by the applicant(s), HCSC and the Coordinator will evaluate the property being acquired ensuring that property:
 - 1. Is a single-family housing (1 to 4 family residence, and condominium unit);
 - 2. Has a purchase price that is equal to or less than maximum purchase price per HOME Homeownership Value Limits. The purchase price must also be less than or equal to the appraised value as evidenced by appraisal report;
 - 3. Is modest and in good repair meeting applicable code requirements and quality standards as defined in Housing Standards Part IX. of this policy. The inspection(s) will be performed as follows:
 - a) Environmental Review: Upon receiving the purchase contract by the applicant(s), HCSC will perform environment review process to ensure that the home is complied with the environmental review requirements.

Assistance to eligible homeowner(s) in acquiring or purchasing existing property such as closing costs, down payment assistance, interest buydowns, and similar activities are exempted activity under 24 CFR §58.35(b). However, HCSC will document the exemption determination Environment Review;
 - b) Third party inspection: Any property being considered for purchase is required to have a private third party inspection conducted by a professional home inspector and fee(s) paid by the applicant(s). Inspection report must be provided to HCSC as soon as the report is available;
 - c) The Coordinator will review the home inspection report and inspect the property. The City's inspection should be done within 10 days upon HCSC receive the executed real estate contract by the applicant(s). Once the inspection is completed, the Coordinator will write up the report indicating if the property passed or failed Minimum Housing Standard requirements. If the property failed, the report will indicate the deficient items and the requirements to bring to Minimum

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Housing Standards. Documents and/or evidence for bringing up the deficiency items to code must be provided for the property to be eligible. Depending on the nature of the deficiency, final inspection may be required; and

- d) Lead inspection: House built prior to January 1, 1978 are subject to a lead-based paint visual inspection to determine if there is presence of lead-based paint that greater than HUD's de minimis standards. Lead-Based Paint Notifications will be given to the homebuyer(s). Should the amount of lead-based paint be greater than HUD's de minimis standards, samples will be sent to a lab for analysis. If the paint is determined to contain lead above HUD's level of concern, the City will not be responsible for lead-based paint removal and/or coverage; nor will City provide any down payment and or any financial assistance, unless paint stabilization of lead-based paint hazards is performed. The stabilization must be completed by an individual or company trained and certified in Lead Safe work practices. No assistance will be provided until the house successfully passes a clearance test performed by a certified lead risk assessor.

Section IV Housing and Overall Debt

Once the applicant(s) enters into a real estate purchase agreement with a Seller, HCSC will be complete the evaluation of the applicant(s) overall income, debt, and proposed mortgage monthly payment.

A. Definition of Income for the purpose of calculating front-end and backend ratios:

Although, applicant(s)'s income eligibility is calculated using Annual Income Method described in Title 24 Part 5 of the Code of Federal Regulations, the income used for the purpose of calculating front- and back-end ratios is determined by the lender. HCSC will perform the following:

1. HCSC will request the homebuyer(s)'s loan application (1003) along with lender's underwriting and/or approval documents from the homebuyers' lender prior to final approval by FTHB program; and
2. HCSC will verify that homebuyer(s)'s income shown in the loan application (1003) is consistent to income disclosed for the FTHB program, and that income is below 80% AMI. Significant discrepancy of income disclosed to lender & to the FTHB program may result in denied of assistance.

B. Debts and expenses included in calculating front-end and back-end ratios:

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1. HCSC will review the lender’s loan underwriting approval and ensure that front-end ratio calculated by the lender includes principal and interest (P&I), real estate taxes, hazard insurance, mortgage insurance premium (if any), HOA or condominium association fees or expenses (if any), special assessments (if any), and any other escrow payment;
2. Homebuyer(s)’s monthly mortgage payment must include escrow funds; taxes and premiums for property insurance. Escrow waiver is not permitted under the program; and
3. HCSC must ensure that back-end ratio calculated by the lender includes:
 - a) all existing monthly debt obligations,
 - b) proposed new monthly mortgage payment,
 - c) alimony, child support or separate maintenance, if applicable.

C. Monthly Expenses:

HCSC will evaluate the applicant’s ability to sustain a mortgage as well as determine the appropriate amount of assistance by:

1. Examining applicant’s fixed monthly living expenses such as utilities bills, food, cost of transportation, other associated housing cost, and other necessary living expenses. HCSC must ensure that applicant(s) ‘s **NET** monthly income is sufficient to cover those expenses. If HCSC is unable to find the actual costs, or current expenses are included in the rents, the estimated amount below will be used per adjusted family size;

Average Food Costs:					
Families of 2 (male & female):	19-50 years: \$490.10 per month 51-70 years: \$469.50 per month				
Families of 4: Couple (19-50 years and children)	2-3 and 4-5 years: \$714.40 6-8 and 9-11 years: \$842.70				
Individuals Child:	1 year	2-3 years	4-5 years	6-8 years	9-11 years
	\$125.50	132.70	\$136.20	\$190.80	\$206.40
Male:	12-13 years	14-18 years	19-50 years	51-70 years	71+ years
	\$237.50	\$239.80	\$238.70	\$225.40	\$220.90
Female:	12-13 years	14-18 years	19-50 years	51-70 years	71+ years
	\$203.70	\$203.20	\$206.90	\$201.40	\$198.60
Other housing costs:					

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Household Size	1person	2-person	3person	4person	5person	6person	7person	8person
Water and Sewer	\$65	\$75	\$100	\$100	\$120	\$120	\$135	\$140
Electricity	\$75	\$100	\$130	\$145	\$160	\$160	\$175	\$175
Gas (if applicable)	\$35	\$35	\$45	\$45	\$55	\$55	\$65	\$65
Internet	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Phones	\$60	\$125	\$125	\$125	\$125	\$135	\$135	\$135
Childcare: if applicable.								
Medical Prescription: if applicable								
Existing monthly obligation: [i.e. credit cards, car loan(s), student loan(s) and/or personal loan(s)],								
Proposed monthly mortgage payment								

*Food cost above is average based on low-cost plan issued December 2018, by USDA.

2. Ensuring that total expenses listed above is less than 90% of the household's **NET** monthly income. This is to reduce risk of mortgage default and to ensure that homeowners are left with sufficient residual income; and
3. Ensuring that the amount of assistance is sufficient to accommodate the unaccounted for expenses and to promote the increase of residual income, applicant(s) may receive up to the maximum amount the assistance eligible under the program.

Section V Amount of down payment and closing cost assistance (Subsidy)

HCSC must ensure that the subsidy amount is appropriate to help the homebuyer meet the costs involved in homeownership while still meeting other necessary, recurring expenses.

- A. Options of down payment assistance: Eligible applicant(s) can choose from one of the two subsidy options below:
 1. Community Development Block Grant (CDBG) funding; applicant(s) opt for CDBG funding can receive funding in the amount not to exceed \$10,000. This is a 0% interest (0% APR), deferred, forgivable loan, second lien position with a 5-year affordability period; or
 2. HOME Investment Partnerships Program (HOME) funding; applicant(s) opt for HOME funding can receive funding in the amount not to exceed \$55,000. This is a 0% interest (0% APR), deferred, forgivable loan, with a 30 year shared equity agreement.

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- B. The maximum amount of down payment and closing cost assistance (Subsidy);
1. CDBG Funds: The Subsidy shall be limited to \$10,000. Applicant(s) receiving CDBG funds must provide at a minimum fifty percent (50%) of down payment assistance. The City (at its discretion) may increase the assistance to the maximum amount of Subsidy;
 2. HOME Funds: Applicant(s) with household income at or below 60% of AMI may be eligible to receive up to \$55,000 of Subsidy.

Applicant(s) with household income above 60% but equal to or less than 80% of AMI will be eligible to receive up to \$45,000 of Subsidy.

- C. Determining the appropriate amount:

Taking considerations of homes priced at or below maximum purchase value within the City of Plano are older homes; and to ensure the new homeowner(s) have sufficient residual income to meet unanticipated expenses and deferred home maintenance, the amount of Subsidy can be provided up to the maximum eligible amount, should applicant(s)'s meet the following:

1. Amount of subsidy should be sufficient to bring the housing expenses (front-end ratio) to the level that is affordable or between 30-36% of homebuyer(s)'s gross monthly income;
2. The debt ratios of the homebuyers with credit scores between 620 to 699 and/or homebuyer(s) with a spouse and/or co-borrower without a credit score should not exceed 36% on the front end and 45% on the back end of gross monthly income;
3. Homebuyer(s) with a credit score of 700 or higher may increase their debt ratio up to 40% on the front end and 55% on the back end of the gross monthly income, but must have a 3-month cash reserve; and
4. Assistance provided cannot result in the homebuyer(s)'s front-end ratio of less than 20% of gross monthly income. Ratios are determined by the mortgage lender prior to closing.

Section VI Assets or Cash Reserves

- A. Homebuyer(s) must contribute a minimum of \$1,000 toward the down payment or pay for closing costs. Earnest will be considered the homebuyer's contribution to a down payment. Gift funds can be used to meet this \$1,000 minimum contribution requirements, however, the homebuyer(s) must make a minimum of \$500 contribution from their own funds. Inspection fees and appraisal paid by applicant(s) will not be considered towards the \$1,000 minimum contribution requirements. Additionally, for CDBG funding, the homebuyer(s) will be responsible for paying one-half of the down payment.

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- B. Homebuyer(s) must provide evidence that they have cash reserves (including savings, checking, money market, or other non-retirement accounts) that equal or exceed one month of total house payment post purchase. Homebuyer(s) with housing ratio between 36.01% to 40% must have a three (3) month cash reserve. Evidence of cash reserve include but not limited account summary, screenshot of available funds dated within 3 days of scheduled close of escrow date.
- C. HCSC will request the following documents prior to close of escrow:
 - 1. Receipt of earnest money,
 - 2. Evidence of applicant(s) paid closing costs, i.e. cashier's check, confirmation of funds wired (if applicable), and
 - 3. Evidence of the required cash reserves.

Section VII Responsible Lending Standards

HCSC will ensure that 1st lien mortgage meets and/or falls within the following criteria:

- A. Eligible loan types include FHA, VA, Conventional and USDA loans.
- B. 30 years loan term with fixed-rate mortgage.
- C. Interest rate is restricted to no more than 1% above "A paper" market rate for the same loan program.
- D. Ineligible loan features include:
 - 1. A loan with non-occupying borrower (co-signer),
 - 2. Adjustable rate loans,
 - 3. No-income, no asset loans and negative amortization loans,
 - 4. Interest only loans,
 - 5. Stated income loans, and
 - 6. Loans with pre-payment penalty.
- E. Permitted closing costs include customary and reasonable fees that do no exceed the actual cost of the service provided including, but not limited to, origination fees, points, and other lender charges.

Total closing costs are not to exceed 4.25% of the sales price. The 4.25% includes loan fees paid at closing, pre-pays, escrows, and title company charges, but DOES NOT include discount points (rate

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buydown), financed mortgage insurance, or costs paid by the lender or seller.

Exception: If the higher closing cost is due to discount points paid to lower higher interest rate, the homebuyer(s) may pay 100% of the costs occurred to buydown the rate.

F. The assistance funds cannot be used for the following (Ineligible cost items):

1. Real estate broker fees,
2. Real estate commission,
3. Delinquent taxes levied on a property,
4. Construction lines,
5. Encumbrances incurred by the property owner prior to the purchase, and
6. Any other ineligible costs deemed inappropriate and/or unnecessary to complete the transaction.

I. Prior to closing, HCSC will request and review the following documents from the Lenders:

1. Applicant(s)'s loan application (1003),
2. Underwriting file, including, but not limited to, completed underwriting worksheet or final DU approval,
3. Initial and final closing disclosures, and
4. Lender's lien notes and Deed of Trust.

Part III. Program Due Diligence for Disbursement of Funds

This is a first-come, first served program and contingent on availability of funds. At the time HCSC receives executed purchase contract, funds are reserved but not committed. Section I: Commitment of Funds

To commit the funding to the applicant(s), the following conditions must be met:

- A. The applicant(s) is eligible as evidenced by HCSC's approval letter;
- B. The property to be purchased meets program requirements as certified by the Coordinator;

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- C. The applicant(s)'s loan term meets the program requirements and is approved by the HCSC; and
- D. Funding agreement between the applicant(s) and the City is signed.

Section II. Disbursement of Funds:

Prior to the disbursement of any funds under the FTHB program, the following action items should be performed:

- A. Any file documentation deficiencies shall be identified and submitted to the applicant(s) for correction;
- B. Title policy and commitment received and reviewed. HCSC will ensure that property address and legal description, name(s) of borrower(s), and loan amount are correct;
- C. Final closing cost disclosures received and reviewed. HCSC will ensure that closing cost items and the amount are eligible and within the policy;
- D. Closing documents are drawn and sent to the title company;
- E. A meeting shall be scheduled with the homebuyer(s) for pre-closing conference including a review of the long term affordability requirements and signing of all program documents including Funding Agreement; and
- F. The copy of signed closing disclosure, City of Plano's Real Estate Lien Note, City of Plano's Deed of Trust, and Share Equity Agreement must be received by HCSC prior to disbursement of funds. Funds shall be wired directly to the title company.

Section II. Project Closeout Procedures

- A. Documents must be put in order and all checklists utilized. FTHB file checklist can be found at the folder here:
<Z:\Community Services\Administration\Forms\FTHB Forms\FTHB Checklist>
- B. Information is input into the One Roof system.

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Part IV. First Time Homebuyer Refinancing Procedure

Section I Acceptable type of refinancing: During the affordability period, borrower(s) may:

- A. Refinance the existing first mortgage to lower the interest rate and/or lower monthly payment. Borrower may receive a small amount of cash back (refunds) in the rate and term refinance (limited cash-out refinance), however, the amount received must be the lesser of 2% of the new refinance loan amount or \$2,000. HCSC will request and review the final loan disclosure from the borrower or lender ensuring that the refinance transaction is a rate and term refinance and that refunds received by borrower is within the policy.
- B. Refinance to lower the term of the mortgage: Borrower may refinance to shorten the term of the existing loan. Generally, shorten the term of the loan will result in higher monthly payment and increase the loan risk. Therefore, any refinance transaction resulting in the increased of new proposed monthly mortgage increase by 25% or more, must be provided the supporting documents of the new monthly mortgage payment that is sustainable and affordable. Supporting documents include, but not limited to, loan application, loan estimate (containing loan costs, credit report, and proposed new monthly payment) and explanation letter from borrower. Prior to closing, HCSC will request and review the final loan disclosure from the borrower or lender ensuring that refunds received by borrower is the lesser of 2% of new loan amount or \$2,000.
- C. Buy out a co-owner. If the borrower's financial dynamic is changed due to a divorce, or dissolution of a domestic partnership, the borrowers who acquire sold ownership of the property may not receive any of the proceeds from the refinancing. The transaction is considered limited-cash out or rate and term refinance.

Section II Ineligible refinance transaction

- A. Cash-out refinance for debt consolidation, or for any other purposes than lower the existing interest rate and/or lower monthly payment is not eligible.

Part V. Policy on Prohibited Discrimination and Affirmative Marketing

Section I. Policy

Equal Opportunity and Affirmative Marketing are a part of the FTHB program. All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the FTHB Program.

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No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status (persons with children under 18 years of age, including pregnant women), medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits, or be subjected to discrimination under the Program. Staff will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

Section II. Affirmative marketing procedures and requirements:

To encourage program participation of potentially eligible households, especially those least likely to apply for assistance, HCSC will ensure the following:

- A. The Equal Housing logo will be placed on all outreach materials. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be distributed in the Program-eligible area, City's Hall and will be provided to any local social service agencies, lenders and realtors. Information of the program can be found at

<https://plano.gov/650/First-Time-HomebuyersProgram>.

- B. The City also offers Homebuyer Education Class monthly (except December) to all homebuyer(s) wishing to learn about the home buying process and future responsibilities.
- C. HCSC will work closely with local real estate agents and primary lenders to explain the FTHB Program requirements for eligible housing units and homebuyers; and to review Program processes. Local real estate agents and lenders will also be encouraged to have their customers participate in the Program.
- D. HCSC's actions will not actually or predictably result in a disparate impact on a group of persons or creates, increases, reinforces, or perpetuates segregated housing patterns because of race, color, religion, sex, handicap, familial status, or national origin. E. For further information: HUD's Fair Housing Equal Opportunity can be download at

<https://plano.gov/650/First-Time-Homebuyers-Program>.

The document provides an overview of the Fair Housing Act, explains what happens when you file a complaint, and contains a Housing Discrimination Complaint Form. More information can also be found at

https://www.hud.gov/program_offices/fair_housing_equal_opp, and
<https://plano.gov/648/Fair-Housing>.

Section III. Records and annual assessment of affirmative marketing actions

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- A. Outreach materials of the FTHB programs can be found at the file folder here: <Z:\Community Services\Programs\FTHB\FTHB Outreach>.

- B. Each year HUD releases new homeownership value limits and maximum household income limits, at the time HCSC updates the new release information, HCSC will ensure the fair housing and affirmation marketing policy and practice are up to date and practical.