

PARTICIPATION AGREEMENT  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2017 MORTGAGE CREDIT CERTIFICATE PROGRAM

This Participation Agreement (the "Agreement") is made and entered into on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between the Housing Finance Authority of Broward County, Florida (the "Authority") and \_\_\_\_\_ (the "Participant").

WHEREAS, the Tax Reform Act of 1984 authorized the issuance of Mortgage Credit Certificates ("MCCs") as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, the Authority has duly authorized its 2017 Mortgage Credit Certificate Program (the "MCC Program") under which MCCs will be issued pursuant to the Authority's Program Administration Guidelines (the "Guidelines") and the Program Manual (the "Program Manual"); and

WHEREAS, the Participant wishes to participate in the MCC Program administered by its authorized representatives in connection with financing the Participant will make available for the acquisition of new and existing single family housing.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

1. The Authority appoints the Participant as one of its agents for receipt and processing of applications for MCCs under the MCC Program.
2. Participant will make information available regarding the MCC Program to potential borrowers.
3. Participant will (i) obtain from the borrower all documents and information required for an evaluation of eligibility and application for and receipt of an MCC including documents regarding (a) the first-time homebuyer requirement, (b) residence requirement, (c) income limitations, (d) purchase price limitations, (e) new mortgage requirement, (f) targeted area requirement, and (g) information reporting requirement, and (ii) provide the borrower with information regarding the recapture tax.
4. Participant will conduct such reasonable investigation as is necessary to certify that the borrower has satisfied all requirements of the MCC Program, including those imposed by temporary and permanent regulations of the Internal Revenue Code of 1986, as amended (the "Code"), state law and the Program Manual.
5. Participant acknowledges and agrees that it is familiar with and will comply with (i) the requirements of the Code, all temporary and permanent regulations and state laws relating to the issuance of MCCs, (ii) the Program Manual, and (iii) the Guidelines.

6. Participant will follow standard underwriting procedures in its processing of the loan application of each borrower and perform all investigation and verification that it would normally perform for underwriting financing not provided in connection with an MCC.

7. Participant warrants that all MCC Program information provided regarding the borrower's eligibility under the MCC Program (i) is provided in good faith, (ii) is accurate to the best of Participant's knowledge and (iii) is the result of standard due diligence on the part of the Participant.

8. Participant hereby agrees to comply with all data and record retention requirements which are required by the Code, all temporary and permanent regulations (including, but not limited to, Treasury Regulation Section 1.25-8T(a)(3)) and state law relating to the MCC Program.

9. Participant hereby agrees that the Authority and its authorized representatives during normal business hours have the authority to examine and inspect all books and records in the Participant's possession relating to the MCCs and the MCC Program.

10. Participant will charge a borrower applying for an MCC only those reasonable fees in processing the financing as would be charged to borrowers applying for financing not provided in connection with an MCC. Upon the closing of each loan, Participant will also charge the applicable borrower a non-refundable MCC Program Fee (the "MCC Program Fee") which MCC Program Fee shall be subject to periodic adjustment by the Authority, in its sole discretion, without prior notice. The MCC Program Fee shall initially be \$300, and shall consist of (i) an MCC Issuance Fee of \$175 that shall be forwarded to the Authority, and (ii) an MCC Handling Fee of \$125 to be retained by the Participant.

11. Participant hereby agrees that it will file annually (or such other period or frequency as may be required by Treasury regulations or any rules or law to which the Authority is subject) with the Internal Revenue Service for all MCCs issued in a calendar year the Lender's Information Return for Mortgage Credit Certificates (MCCs) (IRS Form 8329).

12. Participant hereby agrees that it will forward to the Authority or its authorized representatives all information which it receives during the life of the mortgage loan that in any way indicates that the borrower may have made a misrepresentation in applying for an MCC or that may affect the borrower's continued eligibility for an MCC.

13. Participant hereby represents and warrants as follows:

- (i) Organization Status. Participant is duly organized and is active as a corporation, limited partnership, limited liability company or other lawful entity, as applicable, under the laws of its state of organization or incorporation or creation, as applicable;
- (ii) Authority to Enter into this Agreement. The Participant has full power and authority to enter into this Agreement and consummate the transactions contemplated hereunder;

- (iii) Authorized Signatory. The individual executing this Agreement is an authorized signatory of the Participant, and he or she is duly authorized and qualified by the Participant to execute this Agreement.
- (iv) Validity of this Agreement. This Agreement has been duly entered into and delivered by the Participant, and to the best of Participant's knowledge, constitutes the legal, valid and binding obligations of the Participant, enforceable against the Participant, in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights or by general principles of equity.
- (v) Pending Litigation. To the best of Participant's knowledge, there are no proceedings pending or threatened before any court or administrative agency (a) contesting or affecting the existence of powers of the Participant, or (b) materially adversely affecting Participant's ability to fulfill its duties and obligations under this Agreement.

14. Prior to or simultaneously with the execution of this Agreement, the Participant shall deliver the following documents to the Authority:

- (i) Incumbency certificates identifying the officer, director or member of the Participant authorized to execute this Agreement or a true and correct copy of a resolution of the Participant evidencing the granting of signatory authority to the person signing this Agreement; and
- (ii) Certified resolutions of the governing body of the Participant authorizing the execution and delivery of this Agreement.

15. This Agreement shall remain in full force and effect until terminated. Participant and the Authority may terminate this Agreement without cause, upon sixty (60) days written notice to the other party. Further, the Authority may immediately terminate this Agreement and prohibit the Participant from participation in the MCC Program upon (i) the Participant's failure to comply with the terms and conditions of this Agreement, and (ii) written notice from the Authority. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.

16. By execution of this Agreement by the individual identified below, acting in his or her authorized capacity for the Participant, the Participant accepts the duties, conditions, terms and responsibilities of the Participant as set forth herein.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE TO  
PARTICIPATION AGREEMENT  
HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA  
2017 MORTGAGE CREDIT CERTIFICATE PROGRAM

IN WITNESS WHEREOF, the Authority and the Participant have caused this Participation Agreement to be executed in their respective names by their duly authorized representatives as of the day and year first set forth above.

HOUSING FINANCE AUTHORITY OF  
BROWARD COUNTY, FLORIDA

\_\_\_\_\_  
PARTICIPANT NAME (Print)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_