

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CONSOLIDATED  
GOVERNMENT OF COLUMBUS, GEORGIA AND COLUMBUS HOUSING  
INITIATIVE, INC. D/B/A NEIGHBORWORKS COLUMBUS IN CONNECTION WITH  
THE CITY OF COLUMBUS DOWN PAYMENT ASSISTANCE PROGRAM**

THIS **MEMORANDUM OF UNDERSTANDING** is made and entered into as of this \_\_\_\_\_ day June, 2013 by and between **THE CONSOLIDATED GOVERNMENT OF COLUMBUS, GEORGIA** (herein called the "CITY") and **COLUMBUS HOUSING INITIATIVE D/B/A NEIGHBORWORKS COLUMBUS** (herein called "NEIGHBORWORKS COLUMBUS").

**WHEREAS**, the City has extensive knowledge, skill and experience in implementing and developing single family down payment assistance programs (DPA) in Columbus for families at or below 80% Muscogee County Metropolitan Statistical Area median income level ("AMI");

**WHEREAS**, NeighborWorks Columbus has applied for and received a Financial Allocation from The Community Development Financial Institution Fund (the "CDFI Fund") of the United States Treasury, that can be used for single family DPA programs for families at or below 80% AMI;

**WHEREAS**, to facilitate the City's administration of the City's DPA Program, NeighborWorks Columbus will fund a pool of money (the "Funding Pool") to the City and the City will use the Funding Pool to make DPA second loans to qualifying homebuyers under the guidelines of the DPA Partner Program and subsequently assign the DPA Loans to NeighborWorks Columbus within 30 days after closing the DPA Loans as set forth in this MOU.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and covenants, representations, warranties and agreements set forth herein, the City and NeighborWorks Columbus hereby agree as follows:

1. General Agreements – NeighborWorks Columbus. The following represents the basic responsibilities of NeighborWorks Columbus regarding the "DPA Partner Program":
  - a) Within ten (10) days from the date of execution of this MOU, NeighborWorks Columbus will fund the Funding Pool for the City to use solely to make DPA Loans to qualifying homebuyers in the amount of \$250,000 (the "Original Funding Pool Amount"). NeighborWorks will deposit the Original Funding Pool Amount into a separate account of the City that the City establishes with a reputable banking institution to be designated "City of Columbus DPA Account,

which DPA Account must be insured by the Federal Deposit Insurance Corporation (the "FDIC")

- b) NeighborWorks Columbus agrees that after the Original Funding Pool Amount has decreased to a level below \$50,000, NeighborWorks Columbus will, within five (5) business days after receiving written notice from the City that the Funding Pool is below \$50,000, replenish the Funding Pool to the Original Funding Pool Amount.
  - c) Within ninety (90) days of the return receipt by the City of the recorded subordinated deed to secure debt, NeighborWorks Columbus shall accept an assignment (the "Assignment") of each qualifying and complying DPA Loan from the City, which Assignment shall be in the form and substance as counsel for NeighborWorks Columbus and the City have jointly approved prior to the execution of this MOU.
  - d) Once the Assignment has been made, NeighborWorks Columbus shall be solely responsible for servicing each DPA Loan and complying with the requirements of the CDFI Fund and the City shall have no further responsibility with respect to any DPA Loan after the Assignment.
2. General Agreements – The City. The following represents the basic responsibilities of The City regarding the DPA Partner Program:
- a) The City shall establish the DPA Account, which DPA Account must be insured by the FDIC. The City shall ensure that the DPA Account is at all times separate and distinct from any other funds or accounts of the City and that the City will not, at any time, commingle the DPA Account with any other funds or accounts of the City and the City will not pledge, hypothecate or transfer the DPA Account or any of its funds for the benefit of the City.
  - b) The City will use the funds in the Funding Pool solely to make DPA loans to eligible homebuyers, per existing guideline (Exhibit "A").
  - c) The City will not make any DPA Loan in excess of \$10,000, per guidelines.
  - d) The City will record or cause to be recorded the subordinated deed to secure debt in the real estate records of Muscogee County, Georgia. The City will record or cause to be recorded the assignment of the deed and/or promissory note.
  - e) The City will make DPA loans only to eligible homebuyers, as determined by the City, whose annual gross household incomes do not exceed 80% of the Muscogee County Statistical Area AMI as defined by the United States Department of Housing and Urban Development for conventional loans. Income limits are adjusted for family size, per existing guidelines.
  - f) During the period of time between the closing of a DPA Loan and its subsequent Assignment, the City will promptly provide NeighborWorks Columbus with any information needed to enable NeighborWorks Columbus to comply with any

Federal reporting requirements. If the City makes a loan from the Funding Pool that does not qualify under or is not in compliance with the DPA Partner Program, then the City shall promptly refund the amount of such loan to the Funding Pool and NeighborWorks Columbus shall have no obligation to accept the Assignment.

- g) The City shall, within three (3) days after the expiration of the Term or the earlier termination of this MOU, return to NeighborWorks Columbus all funds remaining in the Funding Pool.
  - h) Unless otherwise required by law, the City will keep and maintain all information and data collected in connection with the DPA Partner Program confidential and secure and will comply with the laws, rules and regulations relating to data security and privacy.
3. Term. The term of this MOU shall be from July 1, 2013 through June 30, 2014 (the "MOU Term"), unless sooner terminated by either party as provided herein. The MOU Term may be extended by written agreement of the parties.
4. Termination. Either party shall have the right to terminate this MOU upon thirty (30) days written notice, with or without cause.
5. Miscellaneous Provisions.
- (a) Indemnification. Each party hereto (the "Indemnifying Party") agrees to indemnify and hold harmless the other party, its officers, directors, employees and agents from any and all losses, expenses, demands and claims ("Claims") against such other party, its officers, directors, agents and employees sustained or alleged to have been sustained in connection with or to have arisen out of or resulting from the performance of Indemnifying Party's duties hereunder, except when such Claims result from the gross negligence or willful misconduct of the other party.
  - (b) Assignment. Neither party hereto shall assign its rights, duties or obligations under this MOU without the prior written consent of the other party. In the event that written consent to assignment is obtained by either party, this MOU shall be assignable and shall inure to the benefit of, be enforceable by, and bind the parties hereto, or their respective successors, assigns, and personal representatives.
  - (c) Severability. The invalidity or unenforceability of any provisions of this MOU shall not affect the validity and enforceability of any other provision.
  - (d) Sufferance and Non-Waiver. No term, covenant or condition of this MOU can be waived except by written consent of the party against whom such waiver is asserted. Forbearance or indulgence by a party in any regard whatsoever shall not constitute a waiver of the term, covenant or condition and the other party shall be

entitled to invoke any remedy available under this MOU or by law or in equity despite said forbearance or indulgence.

- (e) Applicable Law. This MOU shall be governed and construed for all purposes under and in accordance with the law of the State of Georgia.
- (f) Entire Agreement; Amendments. This MOU constitutes the entire agreement between the parties hereto, and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto.
- (g) Interpretation. No provision of this MOU shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by any reason of such party having or being deemed to have drafted, structured, dictated or required such provision.

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Columbus Housing Initiative, Inc.  
d/b/a NeighborWorks Columbus

Columbus Consolidated Government

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_  
Clerk

*\*Corporation seal must be affixed*