

LOUISIANA HOUSING CORPORATION  
MORTGAGE CREDIT CERTIFICATE  
LENDER PARTICIPATION  
AGREEMENT

As of 12/13/16

THIS PARTICIPATION AGREEMENT ("**Agreement**") made and entered into as of \_\_\_\_\_, 201\_\_, by and between the Louisiana Housing Corporation, (the "**LHC**") and \_\_\_\_\_ (the "**Participating Lender**").

WHEREAS, LHC has elected to issue Mortgage Credit Certificates pursuant to Internal Revenue Code Section 25(c)(2)(A)(ii) and Section 1.25-4T(c) of the Temporary Regulations regarding Mortgage Credit Certificates.

WHEREAS, LHC has the full legal right, power and authority to issue Mortgage Credit Certificates to the extent permitted by the Internal Revenue Code and the process by which LHC does so is referred to herein as the MCC Program.

WHEREAS, the Participating Lender wishes to participate in the MCC Program in connection with mortgage loans to be originated by the Participating Lender (whether or not such mortgage loans may be sold to LHC) for the acquisition of single family housing in in the State of Louisiana (the "State").

WHEREAS, the Participating Lender must acknowledge, agree and execute the MCC Lender Participation Agreement. NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

**Participating Lender Representations**

1. The Participating Lender represents and warrants to, and covenants with, LHC that:

(a) The Participating Lender is duly organized, validly existing, and in good standing under the laws governing its creation and existence, is duly authorized and qualified to do in the State of Louisiana any and all business contemplated by this Agreement.

(b) The Participating Lender possesses all requisite authority, power, licenses, permits and franchises to conduct its business and to execute, deliver and comply with its obligations under the terms of this Agreement, and to the execution, delivery, and performance of which have been duly authorized by all necessary action.

(c) Neither the execution and delivery of this Agreement by the Participating Lender nor the performance and compliance with the terms hereof by the Participating

Lender will violate any laws or pre-existing contracts that could have any material adverse effect whatsoever upon the validity, performance, or enforceability of any of the terms of this Agreement applicable to the Participating Lender.

(d) The Participating Lender has at least one office physically located in the State of Louisiana to which the general public may make loan application and at which the Participating Lender has originated loans for a period of not less than 12 months (unless LHC agrees in writing to a lesser amount of time on the grounds that the Participating Lender's staff, located at the Louisiana office in question, have significant experience originating LHC mortgage loans.

(e) The Participating Lender's employees and management who will be involved in the origination of MCCs are not on the GSA Exclusionary List, the HUD LDP List, or any successor to either of those lists.

### **Participating Lender Responsibilities**

2. The LHC hereby appoints the Participating Lender as one of its agents for receipt and processing of applications for MCC's under the MCC Program, however this agency is only in effect until such time as LHC declares the MCC Program to be terminated and this agency specifically does not extend to approving applications or issuing MCCs which can only be done by LHC. Each representative of the Participating Lender which will originate and process MCC applications shall, before doing so, be trained to originate MCCs by completing all required LHC-approved training.

3. The Participating Lender will make information regarding the MCC Program available to potential borrowers. The Participating Lender will process and review the application of any potential borrower in order to determine eligibility for the MCC Program.

4. The Participating Lender will (a) obtain from the borrower all documents and information required for the borrower's application for an MCC and deliver them to LHC in accordance with the MCC Program Manual and (b) conduct such reasonable investigation as is necessary to certify that the borrower has satisfied all eligibility requirements of the MCC Program as described by the LHC MCC Program Manual.

5. The Participating Lender shall fund all mortgage loans for which it originates an MCC application. No MCC Commitment will be issued to an entity other than the Participating Lender making the mortgage loan with respect to which the MCC Commitment is issued.

6. The Participating Lender will schedule the closing on the financing related to the MCC in accordance with the MCC Program Manual and the MCC Commitment. The closing cannot happen prior to the issuance of the MCC Conditional Commitment.

7. The Participating Lender hereby agrees to comply with all provisions of the Internal Revenue Code, Louisiana law, and applicable regulations in addition to LHC's MCC Program

Manual , including, but not limited to, filing IRS Form 8329. Filing IRS Form 8329 correctly is the responsibility of the Participating Lender.

8. The Participating Lender hereby agrees to comply with the MCC Program Manual currently in effect or that may become effective in the future. The Lender hereby acknowledges its receipt of the MCC Program Manual, and the Lender hereby covenants and agrees to originate Mortgage Loans for which MCC's are issued in accordance with this Agreement and the MCC Program Manual. Failure by the Lender to perform its obligations under this Agreement and the MCC Program Manual may result in a suspension or termination of its participation in the MCC Program.

### **Borrower Fees**

9. The Participating Lender will charge a potential Borrower applying for an MCC a 1% Origination Fee, and other reasonable and customary fees for processing of the loan to which the MCC applies as would be charged to Borrowers applying for financing not provided in connection with an MCC.

10. The Participating Lender shall collect from each Borrower an MCC Compliance Fee of \$75 which shall be forwarded to LHC with the Compliance File.

11. The Participating Lender may charge a potential Borrower applying for an MCC a separate fee for processing the MCC application provided that fee is not more than \$500 and provided that fee does not violate any other law or regulation.

12. If the Participating Lender closes on the related financing for a borrower before LHC issues a MCC Conditional Commitment, the Participating Lender shall (a) inform the borrower LHC will not issue a MCC and (b) refund to its borrower any fees collected in connection with the MCC application.

### **Additional Agreements**

13. The Participating Lender hereby agrees that the LHC and its agents have the authority to examine and inspect all books and records in the Participating Lender's possession relating to any MCC and the MCC Program in general. The Participating Lender hereby agrees to grant the LHC and any LHC agent access to such books and records during normal business hours upon LHC request.

14. The Participating Lender hereby agrees that it will immediately forward to LHC all information which it may receive during the life of the mortgage loan which would indicate that the Borrower may have made a misrepresentation in applying for an MCC, or other conditions that may affect the Borrower's initial or continued eligibility for an MCC.

15. The Participating Lender shall do every act and thing that may be necessary or required to perform its duties under this Agreement, the MCC Program Manual and all other

MCC Program Documents. In all respects, the Participating Lender shall obey the laws and applicable regulations of the United States and of Louisiana pertaining to mortgage lending.

16. The compliance review of an MCC by LHC shall not relieve the Participating Lender of any responsibility or liability for the performance or non-performance of any obligation under this Agreement, the Participating Lender Agreement or any other MCC Program Document.

17. The Participating Lender will comply with the non-discrimination laws of the United States and of the State of Louisiana, including, but not limited to, the Civil Rights Act of 1965, as well as LHC's Fair Housing Policy.

18. The Participating Lender shall indemnify and hold harmless LHC and its officers, board of commissioners, and employees against all liability incurred by LHC for any and all claims, causes of action, costs, and expenses (including attorneys' fees), judgments, fines, and penalties that may be related to or arise out of any violation of law or breach of this Agreement resulting from an act or omission of the Participating Lender hereunder.

### **Term**

19. The Participating Lender may terminate this Agreement, without cause, upon sixty (60) days written notice to LHC but must first finish processing any applications for an MCC it has started. Further, LHC may immediately terminate this Agreement and prohibit the Participating Lender from participation in the MCC Program upon the Participating Lender's failure to comply with the terms and conditions of this Agreement and upon written notice from the LHC. No amendment to this Agreement shall be effective unless in writing and signed by both parties hereto.

20. The Participating Lender must provide prompt written notice to LHC of any major organizational changes contemplated including, but not limited to: (a) resignation or replacement of senior management personnel, (b) merger, acquisition, name change, or entity conversion of the business, (c) resignation or replacement of delegated staff, including the Participating Lender's representatives who are originating MCCs, (d) material change in financial position, and (e) opening or closing of branches that originate MCCs.

21. Participating Lenders must maintain compliance with LHC policies, procedures, rules and regulations as stated in the MCC Program Manual and subsequent notifications and must comply with all terms and conditions contained in this Agreement.

22. Sections 13, 14, 15, 16, and 18, shall survive the termination of this Agreement.

23. The parties shall give notice to each other as and when need pursuant to this Agreement pursuant to the requirements of the MCC Program Guide.

THIS AGREEMENT is entered into as of the day and year written above.

**IN WITNESS WHEREOF**, Lender and the Corporation have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed.

**LOUISIANA HOUSING CORPORATION**

\_\_\_\_\_  
Notary: By: \_\_\_\_\_  
Name: \_\_\_\_\_

Seal: Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Participating Lender**

\_\_\_\_\_  
Notary: Name: \_\_\_\_\_

Seal: Title: \_\_\_\_\_  
Date: \_\_\_\_\_