

## CalHFA Mortgage Credit Certificate (MCC) Tax Credit Lender Participation Agreement

This document serves as an Agreement by and between \_\_\_\_\_, hereafter referred to as "Lender" and California Housing Finance Agency, in connection with the CalHFA Mortgage Credit Certificate (MCC) Tax Credit program ("MCC"), administered by CalHFA or a CalHFA designated Program Administrator ("Administrator").

### **Purpose of MCC**

The MCC program is designed to help make ownership of new and existing homes more affordable for individuals and families with low-to-moderate incomes, especially first-time buyers. The MCC program allows a qualified homebuyer to claim a tax credit for a portion of the mortgage interest paid per year. The credit is a dollar-for-dollar reduction against the homeowner's federal income tax liability. A MCC can also help a homebuyer qualify for the initial mortgage loan.

### **MCC Guidelines**

Applicable MCC guidelines are published by CalHFA in the CalHFA MCC Tax Credit Handbook ("Handbook") and associated documents available online at [www.calhfa.ca.gov](http://www.calhfa.ca.gov). Any subsequent revisions to the Handbook are published via CalHFA Single Family Lending Program Bulletins which are also available online.

### **Agreement**

By its acceptance hereof, Lender agrees to the terms and conditions specified in the Handbook as well as all subsequent CalHFA Single Family Lending Program Bulletins.

1. CalHFA hereby designates the Lender as its non-exclusive agent for receipt and processing of applications for MCCs.
2. The Lender agrees to adequately prepare those of its representatives that will assist the Lender in participating in the MCC program by providing them with training and current materials before assigning them to work on the MCC.
3. The Lender agrees to make information regarding the MCC program available to all borrowers who request or may qualify for the MCC Program. The Lender will timely and in good faith review and process the application for potential borrowers in order to determine their eligibility for the MCC program and to efficiently complete the application and issuance process.
4. The Lender agrees to work cooperatively with the Administrator to represent the MCC program fairly and accurately to the borrower.
5. The Lender will obtain from the borrower all documents and information required for the application and issuance of a MCC, as directed by CalHFA and/or the Administrator. The

Lender will take the estimated tax credit into consideration when qualifying the borrower for the first mortgage.

6. The Lender will conduct such reasonable investigation as is necessary to certify that the borrower has satisfied all requirements of the MCC program.
7. The Lender will charge a potential borrower applying for a MCC only those reasonable lending fees the Lender would charge a potential borrower applying for mortgages not connected with a MCC. In addition, the Lender agrees to pay the Administrator the fees specified in the Handbook for issuance of each MCC.
8. The Lender will perform all investigation and verification that it would normally perform for underwriting a mortgage not accompanied by a MCC application.
9. The Lender will notify the borrower, the Administrator and CalHFA in writing of any decision to cancel processing of any MCC. CalHFA reserves the right to implement a cancellation fee, not to exceed \$100 per transaction upon the Lender should there be excessive cancellations by a Lender. The Lender will strive to achieve and maintain a high standard of quality in its MCC-related work and submissions to the Administrator. The Lender agrees to comply with all timelines established by the MCC program, as reflected in the Handbook, and to pay any and all late fees charged by CalHFA, at CalHFA's discretion, for errors and missed deadlines. The Lender further agrees to take immediate steps to correct any errors or missed deadlines upon request of CalHFA and/or the Administrator within sixty (60) days of notification.
10. The Lender agrees to designate a MCC contact person for each of its branches. This contact person and other designated staff must attend MCC program training session(s), as conducted by CalHFA and/or the Administrator; and, will be responsible for timely circulation of MCC program correspondence to other personnel within the branch who perform work on the MCC program. The contact person, or other persons appointed by the Lender, shall be responsible for remedying problems related to errors or missed deadlines, as noted in item nine (9) above.
11. The Lender agrees to maintain complete files of each MCC-related loan for six (6) years following issuance of the MCC. The Lender further agrees to make accurate and timely annual filings of Internal Revenue Service Form 8329 (Rev. January 2009, which includes any mortgage loans originated in the prior calendar year. The Lender accepts full responsibility for these requirements irrespective of if and when the MCC loan is sold to another party.
12. The Lender agrees to notify CalHFA of any changes to the Lender information provided to CalHFA, including those changes relating to the MCC contact persons and their replacements. Lender shall also report any change of ownership, legal name, location, structure or senior management within ten (10) days of change.
13. This Agreement shall remain in full force and effect until terminated. This Agreement may be terminated by either party upon the giving of thirty (30) days written notice, specifying in such notice the effective date of the termination. Notwithstanding any such termination, the Lender agrees that it shall continue to file any and all reports required to be filed with the Internal Revenue Service, and shall maintain all records required to be maintained by it pursuant to the Code.

14. CalHFA may immediately terminate this Agreement and prohibit the Lender from participating in the MCC program upon the Lender's failure to comply with the terms and conditions of this Agreement and upon written notice by CalHFA. No amendment to this Agreement shall be effective unless reflected in writing and signed by both parties hereto or unless posted on CalHFA's web site.

**LENDER:** \_\_\_\_\_

Date: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**CALIFORNIA HOUSING FINANCE AGENCY:**

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

Date: \_\_\_\_\_

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

Title: \_\_\_\_\_

This complete and fully executed Agreement is to be submitted to CalHFA's office by one of the following delivery methods:

United State Postal Service (USPS):

California Housing Finance Agency  
Single Family Lender Services – MS 950  
P.O. Box 4034  
Sacramento, CA 95812-4034

Overnight Delivery:

California Housing Finance Agency  
Single Family Lender Services – MS 950  
500 Capitol Mall, Ste. 400  
Sacramento, CA 95814