

**CITY OF CHICAGO HEIGHTS
RULES AND REGULATIONS FOR
FINANCIAL INCENTIVES FOR NEIGHBORHOOD DEVELOPMENT PROGRAM
(a.k.a. FIND CHICAGO HEIGHTS PROGRAM)**

1. Eligible Applicants may receive a maximum of \$10,000 in down payment (D/P) assistance from the City of Chicago Heights for use towards the purchase of a home within the city limits of Chicago Heights as follows:
Routine application award = \$5,000
Military Veteran award = \$7,500
Award for home in foreclosure or pre-foreclosure status = \$10,000
The Grantor of a deed conveying foreclosed or pre-foreclosed real estate must be the foreclosing lender or a Judicial Deed.
2. Applicants must be individuals although applicants may apply jointly. Corporations, LLC's, Limited Partnerships, Partnerships or other business entities are not eligible to apply for the FIND Program.
3. Applicants may only receive a FIND Program award once in their lifetime, and no more than one award may be applied towards the same house, i.e., Wife and husband cannot apply individually for two separate awards to purchase the same home
4. Applicants must fill out an Application for said program within ten calendar days of acceptance of the contract for purchase of said property and at least 14 calendar days prior to the closing date contained in said contract.
5. Applicant must sign an affidavit attesting that the home will serve as the applicant's principal residence.
6. Applicant must qualify independently for Conventional, FHA or VA financing, except for the Down payment component of the loan. The City will issue a letter confirming the Applicants participation in the program and tentative eligibility. If the Applicant fails to qualify for financing independently, he/she will not qualify for a FIND Program award.
7. Applicant must sign a "release" authorizing others pertinent to the transaction to communicate with the City as to the relevant details of the real estate and loan transaction and its progress towards closing, including but not limited to: Applicant's real estate agent, lender, attorney, title insurance company and seller and/or seller's attorney, and any other necessary person or entity as determined solely by the City.
8. Applicant must be the Grantee going into title on the purchased property.
9. Applicant must execute a second mortgage against the real estate being purchased in favor of the City in the amount of the award. That second mortgage will be 100% forgivable if the Applicant remains the principal resident of the home for five years following the date of closing. The award shall be 100% repayable to the City if the

Applicant sells or otherwise conveys his/her interest in the home prior to the 5th anniversary of the closing date on the home. The second mortgage is not assumable.

10. All awards shall be paid by check from the City and made payable to the Title insurance company acting as escrow agent for the Closing on the purchase, and said award shall be delivered directly to the title company at the closing.
Applicant/purchaser may not receive any net proceeds refund from the closing as reflected on the Hud-1. All award proceeds must be applied to closing costs or the loan principal.
11. This program will conclude on December 31, 2010, or when the dedicated funds have been expended whichever occurs first.
12. Applications shall be considered on a first come first serve basis according to order of closing. For the first 30 days of the program, it shall be open solely to applicants who have resided in the City of Chicago Heights for at least one calendar year prior to commencement of the program.
13. Only properties that lie within the corporate limits of the City of the City of Chicago Heights shall be eligible for an award.
14. All participants shall be required to attend Homeowner/loan counseling programs to be eligible for this program as provided by the applicant's lender.
15. The city shall maintain a list of preferred lenders that shall be recommended to Applicants. Those participating lenders must show a historical relationship with the city and offer participants benefits not typically available to a lone borrower, i.e., matching funds towards the down payment, lower interest rate, no cost appraisals, etc.
16. The Applicant must submit a "Pre-Approval Letter" from a lender with the return of the application packet to the City
17. The City shall maintain a list of preferred licensed Real Estate agents subject to the same terms as #13 above.

FURTHER PROGRAM RESTRICTIONS

1. Program shall not be available for those merely refinancing, or currently in title to another residence within the State of Illinois, or currently obligated to a Note and Mortgage that secures a loan against a residential property located in the State of Illinois.
2. Program shall not be available for non-owner occupied units or multi-family units (i.e., apartments, two flats, income property, investment property)
3. Program shall not be available to anyone who is in debt to the City of Chicago Heights, State of Illinois, or U.S. Government. (i.e., unpaid tax levies, unpaid county property taxes, water bills, existing code violation judgments)
4. The Program is not available for purchasers wishing to do "cash deals."
5. All Applicants must be United States Citizens

6. The City reserves the right to supplement or amend these rules at any time without further notice.
7. The City shall have the unilateral right to determine the outcome of any disputes or disagreement arising out of an Application submitted for the FIND PROGRAM.

DOCUMENT CHECKLIST FOR CITY REVIEW AND USE

Applicant packet must contain:

1. An Application to be filled out by the Applicant. (form from 50/50 program might be adaptable)
2. Lender's Pre-Approval letter for applicant.
3. Copy of Real Estate Purchase contract executed by all parties.
4. Copy of Applicants loan application.
5. Release and authorization to communicate with pertinent parties to the process to be signed by applicant.
6. Copy of title commitment from seller's attorney or title company so we can confirm that applicant is the mortgagee and insured.
7. "Award Agreement" or second mortgage securing City's right to recover for five year period.
8. Standard letter from City to lender and other parties confirming the participation and tentative award eligibility of the applicant.
9. Checklist confirming that applicant has provided city with all required materials, and has been checked for indebtedness to City.
10. Assignment of Program Director/liaison. Mayor has proposed Jessica Garner, who has housing background.

TENTATIVE LENDER PARTICIPATION

1. OLD SECOND BANK, Chicago Heights, IL, LIASON: Roger Legner, Tx: 708/575-6137
2. HARRIS BANK. LIASON: Loretta Minor, Tx: 708/424-2075 (w), 312/237-5532 (c)
3. CHARTER ONE, LIASON: Dan Brady, Tx: 630/955-6495
4. WINTRUST MORTGAGE, Matteson, IL, Liaison: Tom Mangan, Tx: 481-1234, 738-3621 (cell)
5. FIRST MIDWEST BANK, Chicago Heights, Liaison: Terry Yauger, Tx: 754-2500
6. Mortgage Corporation, Liaison: Ed Kaspar, Tx: 815/955-4416

Calumet City Update: As most of you know, Mainstreet has sued Calumet City seeking a declaration that Calumet City's point of sale inspection ordinance is unconstitutional. That lawsuit is now on appeal. Through Mainstreet's efforts, Calumet City has not enforced the point of sale inspection ordinance since August of 2006.

It has come to our attention, however, that Calumet City recently decided to enforce the ordinance again (which it is entitled to do pending the outcome of the appeal). It is important that we receive information regarding Calumet City's conduct in enforcing the ordinance. Thus, we ask that you contact Tom Joseph, Government Affairs Director of Mainstreet, if Calumet City interferes with closings including, for example, by requiring cosmetic repairs as a condition to Calumet City issuing transfer stamps or by delaying the inspection and/or reinspection process. In addition, please contact Tom if Calumet City requires a point of sale inspection on multi-family dwellings that have recently passed an inspection under the rental dwelling inspection ordinance.

<http://www.succeedwithmore.com/flyers/Calumet%20City%20Update%20August%2009.pdf>