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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/11/2014 09:34 AM Pg: 1 of 10

Illinois Hardest Hit Fund
Home Preservation Program

**ILLINOIS HARDEST HIT FUND HOME PRESERVATION
PROGRAM FORGIVABLE LOAN AGREEMENT**

THIS ILLINOIS HARDEST HIT FUND HOME PRESERVATION PROGRAM FORGIVABLE LOAN AGREEMENT ("Agreement") is made as of this 13th day of October, 2013, by and between Alecia Williams and _____ (the "Borrower"), and the ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the "Authority"), a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the "Act"), and the rules promulgated under the Act, as amended and supplemented (the "Rules").

RECITALS

WHEREAS, the United States Department of the Treasury ("Treasury") has established several programs under Sections 101 and 109 of the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as the same may be amended from time to time, and all other rules or guidance promulgated with respect thereto from time to time ("EESA"), to assist, among other provisions, in stabilizing the housing market by facilitating foreclosure prevention services to prevent avoidable foreclosures; and

WHEREAS, Treasury has partnered with the United States Department of Housing and Urban Development ("HUD") and has created the federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets as a program pursuant to EESA; and

WHEREAS, the Authority submitted a successful proposal to Treasury for the use of funds allocated to the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets to develop and implement the Illinois Hardest Hit Fund Homeowner Emergency Loan Program (the "HHF Program") in order to help prevent foreclosures and stabilize housing markets in Illinois; and

WHEREAS, per the requirements of the HHF Program, the Authority and Treasury entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement as amended, and as may be further amended from time to time (collectively, the "Participation Agreement"); and

WHEREAS, the Authority, with the approval of Treasury, has established a pilot program ("HHF Home Preservation Program") that will use, to the extent available, funds from the HHF Program to carry out the purposes of the HHF Home Preservation Program as contemplated herein; and

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WHEREAS, the HHF Home Preservation Program will provide reinstatement assistance, refinancing, recasting and/or permanent modifications ("Modification Assistance") to qualified homeowners of residential mortgage loans to allow for long-term mortgage sustainability and affordability by homeowners as determined by the eligibility criteria set forth in the requirements for the HHF Home Preservation Program (the "Program Goals"); and

WHEREAS, the Borrower is the owner of certain residential real property commonly known as 3124 Monroe Street, Bellwood, Illinois, which is more particularly described in **Exhibit A** attached hereto and made a part hereof ("Property"); and

WHEREAS, pursuant to the Program Goals, the Borrower has been determined to be eligible for the Modification Assistance; and

WHEREAS, the Borrower has requested, and the Authority has agreed to make, a forgivable loan to the Borrower pursuant to the requirements of the HHF Home Preservation Program **in an amount not to exceed** (Fifty Thousand Dollars and No/100 Dollars (\$ 50,000.00) (the "Forgivable Loan"); and

WHEREAS, it is a condition of the making of the Forgivable Loan that the Borrower enter into, and be bound by, this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **RECITALS**. The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS**. This Agreement and the Forgivable Loan shall be subject to the terms and conditions of EESA, the HHF Program, the HHF Home Preservation Program, the Act and the Rules, all as they may be amended and supplemented from time to time.
3. **BORROWER COVENANTS, REPRESENTATIONS AND WARRANTIES**.
The Borrower covenants, represents and warrants to the Authority as follows:

(a) The Borrower is the owner of the Property that is encumbered with a first mortgage that is currently being serviced by HPP DMI (the "Servicer") with an outstanding principal balance in the approximate amount of \$117347.77 and known as loan number: 1426334536 ("First Mortgage Loan");

(b) The Property contains not more than four (4) residential units;

(c) The Property is occupied by the Borrower as the Borrower's sole and primary residence;

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- (d) Except for the Property, the Borrower does not own or have a beneficial interest or leasehold estate in any other residential real estate;
- (e) The outstanding balance of the First Mortgage Loan does not exceed Four Hundred Thousand and No/100 Dollars (\$400,000.00);
- (f) The Borrower has experienced a hardship event that is one of the following ("Hardship Event"): a death, a disability, a disaster meaning damage to property which is not covered by insurance, divorce, real estate tax or assessment increase, insurance expense increase, active military service, medical expenses, household expense increase, unemployment, underemployment or interest rate increase on a mortgage secured by the Property (an "Income Reduction Event") as evidenced by that certain affidavit completed by Borrower and delivered to the Authority simultaneously herewith (the "Hardship Affidavit");
- (g) The Borrower has cash on hand including funds in any savings and checking accounts (excluding any funds in a retirement account) of not more Twelve Thousand Five Hundred and No/100 Dollars (\$12,500);
- (h) The First Mortgage Loan is not an interest-only loan and does not result in a negative amortization. If the First Mortgage Loan is an interest-only loan and/or results in negative amortization then the First Mortgage Loan, as a condition to the closing of the Forgivable Loan, but must be modified to a fixed interest rate without a negative amortization simultaneously with the closing of the Forgivable Loan;
- (i) The Borrower's annual adjusted gross income is less than or equal to one hundred and twenty percent (120%) of the median income of the area in which the Property is located adjusted for family size as such adjusted income and median income for the area as currently determined by HUD (the "Median Income");
- (j) At the time of the Hardship Event, the First Mortgage Loan was either delinquent or in imminent danger of being in default;
- (k) At least one person in the household of the Borrower at the Property qualifies with the employment or permanent source of income requirements for the HHF Home Preservation Program;
- (l) At the time of the Hardship Event, the current household debt-to-income ratio was twenty-five percent (25%) or greater; and
- (m) All of the information contained in the Loan Documents (as hereinafter defined) including but not limited to any income certifications provided to the Authority by the Borrower are true, accurate and correct.

4. **TERMS AND CONDITIONS OF THE FORGIVABLE LOAN.** The Forgivable Loan shall be subject to the following terms and conditions:

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(a) Loan Documents. The Borrower as a condition for the Forgivable Loan shall execute simultaneously herewith the following (collectively, including this Agreement, "Loan Documents" or individually a "Loan Document"):

(i) Promissory Note (the "Note");

(ii) Recapture Agreement in the form provided by the Authority (the "Recapture Agreement") to be recorded in the office of the recorder of deeds in the county in which the Property is located;

(iii) Summary Disclosure of Forgivable Loan Terms (the "Disclosure");
and

(iv) All other documents that evidence, govern or secure the Forgivable Loan including but not limited to the HPP Program Application, the HPP Applicant Intake Form, the HPP Hardship Letter and the required supporting documentation submitted therewith (collectively, the "Ancillary Loan Documents")

(b) Amount and Term. The Forgivable Loan shall not bear interest, and the Forgivable Loan shall be subject to repayment and recapture for a term of five (5) years from the date of this Agreement (the "Term") as provided per the terms of the Recapture Agreement. Subject to the terms of this Agreement, the funding of the Forgivable Loan will discontinue upon an occurrence of an Event of Default under the terms of this Agreement or under the terms of any of the Loan Documents.

(c) Repayment Amount. The Borrower agrees, among other things, to repay to the Authority all, or a portion of the Forgivable Loan (the "Repayment Amount"), if any Repayment Event (as defined in the Recapture Agreement) occurs before the Termination Date (as defined in the Recapture Agreement).

5. HHF HOME PRESERVATION PROGRAM REQUIREMENTS.

(a) Inspections. The Authority shall have the right to inspect the Property upon reasonable prior notice during the course of the HHF Home Preservation Program and during the duration of the Term of the Forgivable Loan to insure the Borrower's and the Property's compliance with the requirements of the HHF Program and the HHF Home Preservation Program.

(b) Cooperation. The Borrower understands and agrees that the Borrower shall cooperate at all times with the Authority and will do all acts necessary to comply with the HHF Program and the HHF Home Preservation Program.

(c) Records. At the request of the Authority, the Borrower shall furnish such records and information as required by the Authority in connection with the HHF Program and the HHF Home Preservation Program.

6. INDEMNIFICATION. The Borrower hereby agrees to indemnify the Authority and its respective officers, members, directors, agents and employees against, and save them

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harmless from and against, any and all claims, actions, damages, costs, liabilities and expenses, including without limitation attorneys' fees, incurred as a result of (a) the Borrower's gross negligence, intentional misconduct, fraud, misappropriation of funds or criminal activity; (b) the Servicer, the lender of the First Mortgage Loan or other lenders failing to properly apply the disbursement of the Forgivable Loan; and/or (c) the sale of the First Mortgage Loan to another Servicer which is not a party to a servicing agreement with the Authority.

7. **EVENT OF DEFAULT.** Any one of the following events shall constitute an "Event of Default" under this Agreement:

- (a) a breach by the Borrower of any of its representations, certifications, warranties or covenants contained in this Agreement or in the performance of any of its obligations under this Agreement; or
- (b) the Borrower has failed to comply with any of the requirements under the HHF Program and the HHF Home Preservation Program including without limitation the reporting requirements;
- (c) a default has occurred under any of the Loan Documents, which is not cured within the time period, if any, for cure as provided therein;
- (d) gross negligence, fraud, willful misconduct, misappropriation of funds, or criminal activity by the Borrower; or
- (e) a Recapture Event (as defined in Recapture Agreement) has occurred and after expiration of any applicable cure period, the Repayment Amount (as defined in the Recapture Agreement) due in connection therewith shall remain unpaid for a period of ten (10) business days after notice thereof from the Authority

8. **REMEDIES.** The Authority shall have the right to exercise any of the following remedies upon an Event of Default:

- (a) suspend making a disbursement of the Forgivable Loan pending correction of the deficiency or default by the Borrower;
- (b) terminate this Agreement;
- (c) declare the unforgiven portion of the Forgivable Loan immediately due and payable;
- (d) refuse to subordinate the Recapture Agreement to any subsequently recorded document or lien;
- (e) the Authority may proceed to exercise any other rights and remedies available to the Authority under the Loan Documents; or
- (f) exercise any other rights and remedies that may be available at law, in equity or otherwise.

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The Authority's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the Authority. No waiver of any breach of this Agreement by the Authority shall be deemed to be a waiver of any other breach or a subsequent breach. If the Authority fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

9. **AMENDMENT.** This Agreement shall not be amended, supplemented or modified except in a writing signed by the parties.

10. **NOTICES.** Any notice, demand, request or other communication which any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to Borrower:

At the address of the Property

If to the Authority:

Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Legal Department

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective upon one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after deposit with the United States Postal Service.

11. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Borrower may not assign this Agreement, its right to the Forgivable Loan proceeds or any of its obligations hereunder without the prior written approval of the Authority, which may be withheld or conditioned in the Authority's sole discretion.

12. **SURVIVAL OF OBLIGATIONS.** The Borrower's obligations, as set forth in this Agreement, shall survive the disbursement of the Forgivable Loan, and the Borrower shall continue to cooperate with the Authority and furnish any documents, exhibits or showings required.

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13. CONSTRUCTION OF AGREEMENT:

(a) Partial Invalidity. If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(b) Gender. The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

(c) Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of any provision of the Agreement.

(d) Construction. This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois, exclusive of its conflict of laws provisions.

(e) Third Party Beneficiary. The Authority is an intended third party beneficiary of this Agreement.

14. **WAIVER OF JURY TRIAL.** THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR AGAINST THE AUTHORITY ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE HHF PROGRAM, THE HHF HOME PRESERVATION PROGRAM OR THIS AGREEMENT.

15. **FUNDING.** The parties acknowledge that the Forgivable Loan is to be funded with monies provided by Treasury, pursuant to the terms and conditions of the Participation Agreement, and that disbursement of Forgivable Loan proceeds shall not occur unless and until all necessary preconditions to disbursement set forth in the Participation Agreement and under the requirements of Treasury and the State of Illinois shall have been satisfied to the Authority's, Treasury's and the State's satisfaction, and that significant time delays might result from the funding of such monies the State. In no event shall the Authority be liable to the Borrower for any damages whatsoever which might result in whole or in part from any delays or cancellation in funding any proceeds of the Forgivable Loan.

16. **RIGHT TO RESCIND.** Borrower may cancel the Forgivable Loan on the terms set forth and using the form attached hereto as **Exhibit B** and hereby acknowledges receipt of said form.

17. **JOINT AND SEVERAL LIABILITY.** If more than one party is executing this Agreement, then all such parties executing this Agreement agree to be jointly and severally bound by it.

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18. **COUNTERPARTS; FACSIMILE SIGNATURES.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement but all such counterparts shall constitute one and the same instrument. The Authority reserves the right, in its sole and absolute discretion, to require original signatures or to rely on facsimile transmissions or photocopies of facsimile transmissions and the Borrower hereby waives any rights to object to the validity of their signature based upon the Authority's determination as aforesaid.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

BORROWER:

Alecia Williams 10/18/13
Printed Name: Alecia Williams

Printed Name: _____

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EXHIBIT A

LEGAL DESCRIPTION

THE WEST 3.4 FEET OF LOT 12, ALL OF LOT 313 AND THE EAST 7.40 FEET OF LOT 14 IN BLOCK 3 IN THE SUBDIVISION OF THE NORTHWEST QUARTER (1/4) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

After Recording Return To:
RUTH RUHL, P.C.
2801 Woodside Street
Dallas, Texas 75204

Common Address:

3124 Monroe Street
Bellwood, IL 60104

Permanent Index No.:

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