



**C.A.R. HOUSING AFFORDABILITY FUND
MORTGAGE PROTECTION PROGRAM
TERMS AND CONDITIONS AND APPLICATION**

**C.A.R. HOUSING AFFORDABILITY FUND
MORTGAGE PROTECTION PROGRAM APPLICATION**

1. BUYER #1 (up to \$1500 in monthly payments)

Name: _____

Address: _____

Phone: _____

Cell: _____

E-Mail Address: _____

2. BUYER #2 (\$750 in monthly payments)

Name: _____

Address: _____

Phone: _____

Cell: _____

E-Mail Address: _____

I represent and warrant that:

I am (and all other co-buyers on the Property Purchase Contract are) a First Time Homebuyer and the buyer in a Property Purchase Contract for a Single Family Dwelling; my initial offer to purchase the Single Family Dwelling in the Property Purchase Contract transaction was made and is dated on or after April 2, 2009; I purchased the Single Family Dwelling with a mortgage secured by a deed of trust; the Property Purchase Contract transaction has closed/will close escrow no later than December 31, 2010; I am providing HAF with a copy of the Property Purchase Contract and will provide HAF with my HUD-1 final closing statement promptly after close of escrow; and I was represented by a California REALTOR® in the transaction.

All statements made in this application are true and correct. I authorize the release of information by any Person to HAF and by HAF to any Person as necessary to verify information I submit in connection with this application and to effectuate the terms of the Program. **BY SIGNING THIS APPLICATION, I AM AGREEING TO BE BOUND BY THE PROGRAM TERMS AND CONDITIONS.**

Buyer #1 Signature _____ Date: _____

Print Name: _____

Buyer #2 Signature _____ Date: _____

Print Name: _____

TO BE SIGNED BY YOUR CALIFORNIA REALTOR®:

I, and my broker, _____ are California REALTORS®. I represented the buyer(s) above in the purchase of (enter property address) _____.

Office Address/City/State/Zip: _____

Office Telephone: _____ Cell: _____

E-Mail Address: _____

Name of Broker: _____

Print your National REALTORS® Database System (NRDS) number here: _____

Signature: _____ Date: _____

Print Name: _____

THE APPLICATION IS COMPLETE WHEN THE FOLLOWING DOCUMENTS HAVE BEEN INCLUDED:

- the executed Property Purchase Contract; AND
- the buyer's HUD-1 final closing statement from escrow indicating that the transaction closed escrow

DATE ESCROW CLOSED: _____

MAIL COMPLETE APPLICATION AND ATTACHMENTS TO:

C.A.R.H.A.F. Mortgage Protection Program ♦ 525 S. Virgil Avenue ♦ Los Angeles, CA 90020

**C.A.R. HOUSING AFFORDABILITY FUND
MORTGAGE PROTECTION PROGRAM
TERMS AND CONDITIONS**

1. DEFINITIONS.

The words “you” and “your” mean you the buyer and the words “we,” “us” and “our” mean the California Association of REALTORS® Housing Affordability Fund (“HAF”).

“California REALTOR®” means a member of the California Association of REALTORS® (both the agent and the agent’s broker must be active members of the California Association of REALTORS®).

“First Time Homebuyer” means an individual (including all co-buyers on the Property Purchase Contract) who has had no ownership in a Single Family Dwelling or any other real property during the three (3) year period ending on the date of close of escrow.

“Person” means any individual, corporation, company, limited liability company, partnership, joint venture, association, joint stock company, trust, or unincorporated organization.

“Program” means the HAF Mortgage Protection Program.

“Program Administrator” means cynoSure Financial, Inc.

“Program Benefits” means monthly payments in an amount equal to your minimum monthly payment for your mortgage principal and interest, and property taxes and insurance (if your property taxes and insurance are impounded as part of your minimum monthly mortgage payment) on the Single Family Dwelling, up to a maximum of Fifteen Hundred Dollars (\$1,500.00) and/or a monthly payment in the amount of Seven Hundred and Fifty Dollars (\$750.00), as applicable under the Terms and Conditions.

“Program Committee” means the HAF Program Committee.

“Property Purchase Contract” means a fully executed written agreement for the purchase of a Single Family Dwelling.

“Single Family Dwelling” means any single-family residence (including a manufactured home or mobilehome), a single-family residential unit in a condominium, cooperative or planned unit development, or a single family residential unit within a one-to-four family residence, located in California and in which you intend to occupy as your primary residence.

“Terms and Conditions” means these Program Terms and Conditions and any terms and conditions of the Program Administrator.

2. ELIGIBILITY.

To qualify for participation in the Program:

- you (and all other co-buyers on the Property Purchase Contract) must be a First Time Homebuyer and the buyer in a Property Purchase Contract for a Single Family Dwelling;
- your initial offer to purchase the Single Family Dwelling in the Property Purchase Contract transaction must have been made and must be dated on or after April 2, 2009 (Property Purchase Contract transactions with an initial offer to purchase made or dated prior to April 2, 2009 are not eligible for the Program); the Property Purchase Contract transaction must have closed escrow no later than December 31, 2010; you purchased the Single Family Dwelling with a mortgage secured by a deed of trust; and you must provide HAF with the executed Program application, Property Purchase Contract and the buyer’s HUD-1 final closing statement;
- you must be represented by a California REALTOR® in the transaction and you must provide documentation of same to HAF (a REALTOR® who simply makes a referral or receives a referral fee and does not actually represent you throughout the course of the Property Purchase Contract transaction does not qualify as representation);
- you have not previously received Program Benefits from HAF; and
- you meet all of the Terms and Conditions.

REALTORS®, directors, officers and employees of HAF and HAF's subsidiaries and affiliates, and members of their immediate families are not eligible to participate in the Program.

Applications will be reviewed and Program Benefits will be awarded on a first come, first served basis until Program funds are depleted or until HAF discontinues the Program, whichever occurs first.

3. PROGRAM BENEFITS; APPLICATION; OTHER TERMS AND CONDITIONS.

To be eligible for Program Benefits you must also meet all of the terms and conditions of the Program Administrator. Please visit the HAF website at <http://www.car.org/members/hafmainpage/carhafmortgageprotection/> for information on the Program Administrator's terms and conditions.

To apply for participation in the Program, you must provide HAF with a completed application and any required documentation. You must immediately advise HAF in writing of any corrections or changes to the information on your application. Certain corrections or changes may affect your eligibility to receive Program Benefits.

You may receive Program Benefits only once during your lifetime, and a maximum of two (2) Program Benefit plans are permissible per transaction. If two Program Benefit plans are awarded in a single transaction, the first Program Benefit plan will be for up to \$1500 in monthly payments and the second will be for \$750 in monthly payments. Both buyers must sign the application and indicate which Program Benefit plan each buyer is applying for. The Program Benefits are for the initial term year only, and do not include any renewal terms or payment for renewals. Please contact HAF for more information on whether renewal terms are available under the Program and any related costs.

The Program Administrator will provide you with written verification of your eligibility to receive Program Benefits approximately forty five (45) days after approval of your application and eligibility verification.

If you receive Program Benefits, you agree that any Program Benefits paid to you shall be applied first toward the payment of your mortgage principal, interest, taxes and insurance for the Single Family Dwelling you purchased in the Property Purchase Contract. If there are multiple persons obligated to pay the mortgage, you agree that the Program Benefits will be first applied toward your proportional share of the mortgage obligation. The balance of any such Program Benefits may be used for any other purpose.

4. PROGRAM ADMINISTRATION.

The Program is managed and interpreted by the Program Committee. HAF reserves the right at its discretion to amend these Program terms and conditions, to deny granting any individual participation in the Program and to modify, suspend or discontinue the Program at any time without notice.

The Program Committee's decision to approve or deny an application for participation in the Program is final and will not be subject to appeal or review.

HAF will not be responsible or liable for any direct, indirect, incidental or consequential damages, claims, actions, losses, liabilities, misappropriation of Program Benefits, costs or expenses arising in any way whatsoever from your participation in the Program, an application that does not comply with the Terms and Conditions and any delay in Program Benefits being provided to you.

You understand and agree that HAF may disclose to third parties any information you provide on your application or in connection with the Program that is necessary to effectuate the provisions of the Program or as required by law to be disclosed.

You understand and agree that HAF is not the Program Administrator, and that any benefits, obligations and liability in connection with the Program Benefits shall be the sole responsibility of and settled between you and the Program Administrator.

You agree to indemnify, defend and hold harmless HAF and its directors, officers, employees and agents from any claim, action, damages, liabilities, losses, costs and expenses, including reasonable attorney's fees, arising out of a breach of any of your representations, warranties or obligations under your application or these Terms and Conditions.

Your receipt of Program Benefits may have tax consequences. Please consult a tax professional for more information.



Mortgage Protection Program

Frequently Asked Questions:

What is the Mortgage Protection Program?

The Mortgage Protection Program provides involuntary unemployment protection for qualified first-time home buyers. The program is being offered by the California Association of REALTORS® Housing Affordability Fund (“CARHAF”), to help build confidence in the purchase of a home and to reduce the fear of foreclosure in the event of a job loss. CARHAF has committed \$1 million to provide this program to qualified home buyers. Program is available until funds have depleted.

What are the benefits?

Through the program, first-time home buyers who lose their jobs may be eligible to receive up to \$1,500* per month for up to six months to help make their mortgage payments. A qualified co-buyer can also participate in this program, for a reduced monthly benefit of \$750 per month for up to six months in the event of a job loss..

***Includes taxes and insurance if impounded as part of your monthly mortgage payment.**

How much does it cost?

It's FREE to the home buyer!!! If the home buyer is qualified for benefits under the Program then all costs will be paid by CARHAF. There is no cost to the REALTOR® or home buyer.

Who qualifies for this program?

An applicant must:

- Be a first-time home buyer - someone who hasn't owned property in the last three years (includes co-buyer);
- Open and close “escrow” between 4/2/2009 and 12/31/2010 (purchase offer cannot be dated before April 2, 2009);
- Purchase a principal residence in California;
- Buyer must be represented by a California REALTOR® (“referrals” do not qualify); and
- Be a W-2 employee (i.e. not self-employed) but can not be a sole proprietor, partner or controlling stockholder in the business in which you are employed, or a dependent of a sole proprietor, partner or a controlling stockholder in the business in which you are employed.

There are no income or home price caps under this program.

When can the home buyer receive program benefits?

EFFECTIVE AUGUST 1, 2009

The program requires an “exclusionary” period of 120 days before the home buyer becomes eligible to apply for benefits and a one month “elimination” period before payments begin. More information about the Program can be found at www.carhaf.org or by calling Della Romano at RealCare at 800-939-8088 or emailing her at dromano@realcare.biz.

Are there any exclusions under the Program?

Yes. You cannot be self-employed, an independent contractor, own more than 10% of the company you are employed by or be temporary or seasonal worker. There are other exclusions such as voluntarily choosing to become unemployed, expiration of employment contracts, willful misconduct, criminal misconduct, death, disability, family leave, childbirth, pregnancy and war. See the Program’s terms and conditions for specific definitions of these exclusions.

How do home buyers apply?

Home buyers must apply through a California REALTOR®. The REALTOR® will submit the completed application to CARHAF on the home buyer’s behalf. The application can be downloaded at www.carhaf.org.

How can I ensure my client can get this Program?

While you shouldn’t guarantee Program availability, we have created a simple “pre-qualification” process. You can pre-qualify your client in advance of the close of escrow by simply completing the application and mailing it in with a copy of the executed purchase agreement. Your final approval is contingent upon HAF’s receipt of the HUD-1 Closing statement to verify escrow has closed.

How will a home buyer get notification of approval of benefits under the Program?

You will receive a letter in the mail notifying you of the approval and explaining what you need to do each month to continue the benefits.

Must the monthly benefit amount be used to pay for the mortgage payment?

Yes. Under the Program, a home buyer agrees to use the proceeds to pay the mortgage.

Are the benefit payments taxable?

It is possible that unemployment benefits may be taxable. Home buyers should consult their tax advisor about any benefits received and determine what tax rules apply. If a homebuyer receives more than \$600 in benefits he/she will receive a 1099 for these benefits for the year in which they were received. The Program pays regardless of any other coverage a home buyer may already have.

For general customer service questions, who do I contact?

Call Monica Rodriguez at (213) 739-8380, or email Ms. Rodriguez at monicar@car.org. Be sure to mention that you are a CARHAF Mortgage Protection Program customer.

How long will this Program last?

Applications will be reviewed and benefits will be awarded on a first come, first-served basis until the Program funds are depleted or until CARHAF discontinues the Program, whichever occurs first.

Questions about the Benefits

What is meant by Involuntary Unemployment?

Involuntary Unemployment is defined as totally and continuously losing full-time employment as a result of:

- 1) a permanent involuntary termination of employment; or
- 2) an involuntary layoff or suspension of employment; or
- 3) an authorized, unionized strike or labor dispute by a chartered or previously
- 4) organized trade or labor union; or
- 5) a lockout, discharge of employees or temporary closing of business in response to organized employee activity; or
- 6) a state or federally declared disaster caused by a geological or weather-related natural event.

Involuntary Unemployment does **NOT** include quitting, resigning, retiring, expiration of an employment contract, being fired for cause, or being on leave due to accident, sickness, disability, family obligations, childbirth, pregnancy, or due to scheduled seasonal or temporary breaks.

Can I get benefits right away?

There are some additional requirements that must be met prior to receiving benefits. Before involuntary unemployment benefits can be received, there is an initial exclusionary period of four (4) months. If you become unemployed anytime before the initial exclusionary period is over, you will not be eligible to file a claim for this unemployment occurrence, and you will have to return to work for at least 12 consecutive weeks before eligibility begins again. The unemployment claims procedure requires documentation of registration with the California unemployment office which will verify the date of your unemployment. You will also have to be current on your mortgage payment. Once the "exclusionary period" and "actively at work" requirement have been met, there is also a 30-day "waiting period" before cash benefits are paid.

How long do I get involuntary unemployment cash benefits?

There is a six (6) month "Maximum Benefit" during the coverage period. You will be paid 1/30th of the monthly benefit amount for every day you are unemployed (beyond the exclusionary and waiting period) up to a maximum of 6 months.

How do I file an unemployment claim for program benefits?

Contact cynoSure Financial, Inc 1-800-711-4280 for a claims package. Please mention that you are a CARHAF Mortgage Protection Program customer when doing so to ensure that your call is forwarded to the appropriate personnel. You will need to complete the claims package and submit it according to its instructions. You must register with your state's unemployment division. The claims administrator will verify your coverage and start the claims payment process.

Can I upgrade my benefits or renew the coverage at the end of the one year Program?

Upgrades and renewals are not available under this Program.