



**LOUISIANA HOUSING CORPORATION  
MORTGAGE CREDIT CERTIFICATE PROGRAM, SERIES 2016  
PARTICIPATION AGREEMENT**

This Participation Agreement (the “Agreement”) is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_ by and between the Louisiana Housing Corporation (LHC), a public body corporate and politic (the “Issuer”) and \_\_\_\_\_ (the “Participant”).

WHEREAS, Section 25 of the Internal Revenue Code of 1986, as amended (the “Code”) authorizes the issuance of Mortgage Credit Certificates (“MCC’s”) by the Issuer as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, by resolution adopted April 8, 2015, the Issuer has duly authorized its Mortgage Credit Certificate Program, Series 2016 (the “MCC Program”) under which MCC’s will be issued pursuant to the Issuer’s MCC Program Guidelines (the “Guidelines”), and

WHEREAS, the Participant wishes to participate in the MCC Program in accordance with the Guidelines and the terms hereof.

NOW, THEREFORE, in consideration of the promises set forth herein, the parties agree as follows:

1. The Participant agrees to accept and review applications for MCCs pursuant to the MCC Program and the Guidelines. If such an application indicates that a borrower is eligible for an MCC, and if the Participant has determined to make to the borrower a mortgage loan from its own funds (meeting the requirements set forth in the Guidelines), the Participant shall forward the MCC application to the Issuer in the manner as set forth in the Guidelines. To the extent the Issuer has MCC credit authority available and the borrower is eligible for an MCC, the Issuer will assign the borrower an MCC reservation number.
2. The Participant will make information available regarding the MCC Program to potential borrowers.
3. The Participant will obtain from the borrower all documents and information required for an evaluation of eligibility and application for and receipt of a MCC as required by the Guidelines, including documents regarding (a) the first-time homebuyer requirement, (b) residence requirement, (c) income limitations, (d) purchase price limitations, (e) new mortgage requirement, (f) targeted area requirement, and (g) information reporting requirement and (h) provide the borrower with information regarding the recapture tax.
4. The Participant will conduct such reasonable investigation as is necessary to certify that the borrower has satisfied all requirements of the MCC Program, including those imposed by temporary and permanent regulations of the Code, state law and the Guidelines.
5. The Participant represents that it is familiar and will comply with the MCC Program and the Guidelines, as well the Code, State law and all temporary and permanent regulations issued pursuant thereto, as may be applicable to the MCC Program.
6. The Participant will follow standard underwriting procedures in its processing of the loan application of each borrower and perform all investigation and verification that it would



- normally perform for underwriting financing not provided in connection with an MCC.
7. The Participant represents and warrants that all MCC Program information provided regarding any borrower's eligibility under the MCC Program (i) will be provided in good faith, (ii) will be accurate to the best of its knowledge and (iii) will be the result of standard due diligence on the part of the Participant.
  8. The Participant hereby agrees to comply with all data and record retention requirements which are required by the Code, all temporary and permanent regulations (including, but not limited to, Treasury Regulation Section 1.25-8T (a) (3) and state law relating to the MCC Program.
  9. The Participant hereby agrees that the Issuer and its authorized representatives, during normal business hours, have the authority to examine and inspect all books and records in the Participant's possession relating to the MCC's and the MCC Program.
  10. The Participant hereby agrees to limit loan types set forth in the Guidelines.
  11. The Participant will charge a borrower applying for a 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.
  12. The Participant shall collect from each borrower an MCC Compliance Fee of \$75 which shall be forwarded to the Issuer with the Compliance File.
  13. The Participant shall collect from each borrower an MCC Application Fee of \$500 which is retained by the lender.
  14. The Participant hereby agrees that it will file annually with the Internal Revenue Service for all MCC's issued in a calendar year the Lender's Information Return for Mortgage Credit Certificates (MCCs) (IRS Form 8329) that will be provided by FHFC's Program Staff.
  15. The Participant understands that, under the MCC Program, the Issuer has \$5,000,000 of MCC credit authority and that, other than as set forth in the Guidelines, it shall be allocated by the Issuer on a first-come, first-served basis among prospective borrowers, provided that 20% of such allocation will be set aside during the first year of the MCC Program for Residences located in Targeted Areas, as more fully discussed in the Guidelines. LHC, in its sole discretion, may discontinue or suspend the MCC program at any time. LHC will have no liability for MCC applications submitted after available resources for MCC's have been exhausted, after suspension of the MCC program or discontinuance of the MCC program.
  16. The Participant hereby agrees that repayment of any mortgage loan made in conjunction with the MCC Program is the responsibility of the borrower and that payment of such mortgage loan does not constitute an indebtedness of the Issuer or a charge.
  17. The Participant hereby agrees that it will immediately forward to the Issuer or its authorized representatives all information which it receives during the life of the mortgage loan that in any way indicates that the borrower may have made a misrepresentation in applying for an MCC or that may affect the borrowers continued eligibility for an MCC. Participant shall cooperate with the Issuer and its authorized representatives in revoking an MCC if it is determined by the Issuer or its authorized representatives that such revocation is necessary.
  18. The Participant acknowledges and understands that the Issuer may revise, amend or otherwise change the Guidelines at anytime solely in the discretion of the Issuer, with or without notice to the Participant.
  19. The Lender shall advise any MCC Applicant to seek advice from a tax consultant as to the tax benefits and the calculations of tax benefits related to the MCC program.
  20. The Lender agrees that all appropriate staff will participate in education regarding the MCC



program as required by LHC. In addition, the Lender hereby agrees that all appropriate staff will attend LHC training sessions when program changes are made and will seek training for newly hired staff, if needed, or as otherwise deemed necessary by LHC.

21. The Lender is and shall, at all times, be an independent contractor acting on its own behalf and for its own account free from supervision, direction or control by LHC. The Lender is without authority, express or implied, to act for or on behalf of LHC in any capacity other than for the purposes expressly set forth in this Agreement or as may be authorized by LHC in writing.
22. If, at any time, any claim, demand, action or legal proceeding is threatened or instituted against LHC by reason of, or in connection with, any conduct, error, action, failure to act, or omission on the part of the Lender, in connection with the activities contemplated by this Agreement or otherwise, the Lender shall defend and hold LHC harmless from any and all loss, liabilities, damages and expenses including, without limitation, the amount of any judgments, fines or penalties, plus any costs and interest thereon, as well as any and all attorney's fees and all other costs or disbursements paid or incurred in connection therewith, including without limitation, all court costs.

This Agreement shall remain in full force and effect until terminated. Either party may terminate this Agreement, without cause, upon sixty (60) days written notice to the other party. Notwithstanding any such termination, the Participant shall 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 Section 25 of the Code and any regulations there under. Further, the Issuer may immediately terminate this Agreement and prohibit the Participant from participating in the MCC Program upon the Participant's failure to comply with the terms and conditions of this Agreement and upon written notice from the Issuer. No amendment to this agreement shall be effective unless in writing and signed by both parties thereto.



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

\_\_\_\_\_  
**Participating Lender (print)**

LOUISIANA HOUSING CORPORATION  
**Issuer**

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

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

**Print Name:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

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

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

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

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

\_\_\_\_\_  
**Notary**

\_\_\_\_\_  
**Notary**

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

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

**Seal:** \_\_\_\_\_

**Seal:** \_\_\_\_\_

