



Down Payment Assistance Program Guidelines County of Nevada

County of Nevada
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Nevada City, CA 95959

<https://www.nevadacountyca.gov>



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COUNTY OF NEVADA

DOWN PAYMENT ASSISTANCE PROGRAM GUIDELINES

1.0 GENERAL PROGRAM INFORMATION

1.1 Background and Program Objective

Nevada County aims to support Nevada County residents in achieving housing stability through home ownership. The purpose of this program is to support home ownership for moderate income households with income between 80% and 120% Area Median Income (AMI) for Western County residents with a maximum income of 150% AMI for Eastern County residents, as defined by the Tahoe Truckee Unified School District.

Eligible applicants must be residents of Nevada County and homes purchased must be within Nevada County. Down payment assistance is delivered in the form of a loan of \$50,000 at 3% interest, deferred for 30 years or until the home is sold.

1.2 Program Outreach and Marketing

The program administrator will coordinate with local real estate agent groups, lenders, and housing groups to implement a marketing plan to provide broad and equitable access to the Down Payment Assistance Program. Program information will be shared on the County's Housing and Community Services Department webpage, through County social media channels, through local media channels, and at County office locations. A hard copy of the program guidelines will be made available by request at the Nevada County Social Services office at 950 Maidu Avenue, Nevada City. Spanish versions will be made available. All marketing and educational materials and applications will include the Fair Housing logo. The program will be marketed as needed to distribute all available funds.

1.3 Homebuyer Education

Applicants will be required to participate in a recorded or live webinar for orientation to the program to understand program requirements, steps in the process, and for the best success of eligible applicants.

1.4 Conflict of Interest Policy

All activities under this program will adhere to California conflict of interest laws and Section 17 of Nevada County's Personnel Code for Conflict of Interest.

When down payment assistance includes federal funds, the following shall apply: In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no person who exercises policy or decision-making responsibilities (including members of the Loan Committee and officers, employees, and agents of the Loan Committee, the administrative agent, contractors, and similar agencies) in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program. Exceptions to this policy can be made only after public disclosure and formal approval by the Board of Supervisors of the County.

All members of the Housing and Community Services (HCS) Department shall recuse themselves from determining eligibility for any application in which the HCS staff member has a personal relationship with the applicant and in which services to the applicant may be compromised by the staff member's involvement in eligibility determination. In this event, the application will be reviewed by another HCS staff member, or, if necessary, HCS will work with HHS departments to find a neutral party in which to review the application for eligibility.

1.5 Fair Housing and Non-discrimination Policy

This program will be implemented in ways consistent with the County's commitment to Fair Housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity on the basis of their religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (children), physical or mental disability, sexual orientation, or other arbitrary cause.

1.6 Program Definitions

- 1. Applicant** – Primary person applying for the program who will be on title to the home purchased. There may be more than one applicant on an application. Each applicant is considered a borrower.
- 2. Area Median Income** – The median income for Nevada County as defined by the Department of Housing and Urban Development and Posted by the California Department of Housing and Community Development. AMI is adjusted annually and for household size.
- 3. Buyer** - an approved household purchasing a home for their primary residence.
- 4. Down Payment Assistance Program Documents** – Down Payment Assistance Program Guidelines, Deed of Trust, and Promissory Note, and any Attachments included in these guidelines.
- 5. Fair Market Value** – The value of a Unit based upon the determination of an authorized appraisal report acceptable to the County.
- 6. Final Application** – Final Application submitted to the County for loan approval as outlined in Step 4 of Section 2.6 of these guidelines.
- 7. Funding Amount** – The amount of down payment assistance (\$50,000).
- 8. Household** – Means one or more persons who will occupy a housing Unit. Every person in the household that intends to live in the purchased home must be counted in income determination and must be eligible for the program. This includes but is not limited to all children, adult children, spouses, and registered partners. Unborn children do not count in household size determination.
- 9. Loan Committee** – A committee of three Nevada County employees that review loan applications for eligibility and appropriateness for the program.
- 10. Loan Terms** – 3% interest for 30 years, deferred until the loan term of 30 years is met or the home is sold.

11. **Nevada County Resident** – a person/applicant currently living in Nevada County. Proof of residency will be required.
12. **Owner** – An applicant who completed a home purchase under the program and is currently on title.
13. **Pre-Approval Application** – Initial application submitted to the program administrator for pre-approval of eligibility as outlined in Step 2 of Section 2.6 of these guidelines.
14. **Program** – Nevada County’s Down Payment Assistance program as outlined in these program guidelines.
15. **Program Administrator** – Current Nevada County staff member administering the Down Payment Assistance Program.
16. **Program Guidelines** – This document outlining Nevada County’s Down Payment Assistance Program guidelines.
17. **Qualified Tenant Household** – A household that qualifies for rental of a home under the income guidelines of the program.
18. **Unit** – The home purchased with Down Payment Assistance Program funds.

2.0 APPLICANT QUALIFICATIONS

2.1 Current Income Qualifications

Applicant household annual gross income must be between 80% and 120% Area Median Income (AMI) as defined by the United States Department of Housing and Urban Development (HUD), adjusted for household size annually. Area Median Income information can be found on the California Department of Housing and Community Development webpage and is updated annually each spring. In Eastern County, as defined by the Tahoe Truckee Unified School District, income may be no more than 150% AMI.

Household income is the annual gross income of all adult household members in the residence that is projected to be received during the coming 12-month period and will be used to determine program eligibility.

2025 Income Limits for Nevada County Area Median Income of \$124,600 – Western County

Household Size	1	2	3	4	5	6	7	8
Minimum Income	\$63,701	\$72,801	\$81,901	\$91,001	\$98,301	\$105,601	\$112,851	\$120,151
Maximum Income	\$104,650	\$119,600	\$134,550	\$149,500	\$161,450	\$173,400	\$185,400	\$197,350

2025 Income Limits for Nevada County Area Median Income of \$124,600 – Eastern County

Household Size	1	2	3	4	5	6	7	8
Minimum Income	\$63,701	\$72,801	\$81,901	\$91,001	\$98,301	\$105,601	\$112,851	\$120,151
Maximum Income	\$130,800	\$149,550	\$168,200	\$186,900	\$201,800	\$216,800	\$231,700	\$246,600

Income will be counted for all adults over the age of 18 living in the home. Income will include gross wages, salaries, and tips, self-employment income, net business income, interest and other net income from real or personal property, social security, annuities, insurance policies, pensions, disability or death benefits, unemployment, disability and worker’s compensation, child support payments. This is not an exhaustive list. Income will not include inheritances, payments made on behalf of foster children or foster adults, insurance payments, capital gains, and settlement for personal or property losses.

Income will be verified by reviewing and documenting tax returns, profit and loss statements, W2s, pay stubs, subsidy checks, and bank statements. This is not an exhaustive list.

All applicants must certify that they meet the household income eligibility requirements and have their household income documented. Foster children under the age of 18 will not be included in the household count and payments made to the foster family on behalf of foster children will not be included in household income for income eligibility determination.

Income from assets is recognized as part of annual income.

Attachment J, Annual Income and Asset Inclusion and Exclusions, provides more information on income that will be considered for eligibility.

2.2 Eligible Applicant

Eligible applicants must be a current resident of Nevada County as defined in these guidelines, meet the program income requirements, and must not be on title to a home currently. Those on title to a mobile home in a mobile home park that would like to purchase a home as defined in these guidelines will be considered eligible for the program.

2.3 Asset Limits

Applicant must meet asset limit at time of application through close of escrow. Liquid assets (including down payment and deposits) must not exceed 30% of the sales price of the home the applicant intends to purchase. Information on what to include or exclude for assets can be found on Attachment J, Annual Income and Assets Inclusions and Exclusions.

When calculating an applicant's assets, all liquid assets are to be considered, including, but not limited to, the following: savings accounts, checking accounts, certificates of deposit, the total balance of any joint accounts, money market or mutual fund accounts, accounts held in trust for the Applicant (amount accessible), stocks or bonds, equity in real estate currently owned (current market value less the original price of the home, with current market value determined by broker price option or comparative market analysis), one-time lump sum gifts, cash on hand, amount used or borrowed (from a life insurance policy, IRA or retirement accounts) and other investments held by any household member of the Applicant's household age 18 or older.

The cash surrender value of life insurance policy, the value of an IRA account, the value of retirement accounts (including but not limited to 401(k) and 403(b) accounts), the value of annuities not being withdrawn, and the value of a special needs trust or the value of a 529 college savings plan may be excluded from an applicant's liquid assets.

Withdrawal of retirement account dollars towards down payment and closing costs is allowed. However, it is recommended that the Applicant consider all of his/her/their options before using retirement accounts and consult with a tax advisor to fully understand the potential tax consequences of such withdrawal in addition to the applicable early withdrawal penalty, if any. Any funds withdrawn from retirement accounts shall be counted towards the liquid assets' inclusions.

Income from assets is recognized as part of annual income.

2.4 Household Determination

A household is determined by counting every person who intends to live in the Unit, regardless of age or dependency status. Household income limits are adjusted by household size, and household members are not restricted to immediate family. All spouses or registered domestic partners must be included in the household and must appear on the application and provide supporting documentation. Applicants must ensure the completeness and accuracy of their application before submission.

Household members under the age of 18 must be the legal dependent of an adult household member or an adult household member must have at least partial (50%) custody of the child/children, except in the case of emancipated minors, as claimed on the most recent federal income tax return. Applicants who do not have custody of children should not include them in the household count. Foster children, unborn children, and children being pursued for legal custody or adoption who are not currently living in the household, foster adults, and non-relative caretakers paid from an outside source will not be included in the household count.

If household member is temporarily absent, such as a household member serving in the military, attending college, or temporarily institutionalized, the household member, if he/she intends to live in the Unit, must appear on the application and provide supporting documentation. Applications with known false, misleading, or inaccurate information will be disqualified from consideration. Changes to applicant household members after submission are not allowed.

2.5 Occupancy

An applicant under the program must intend to occupy the home as a primary residence for at least 10 months out of the year and must continue to do so through the term of the loan. If the home is sold, or if it is no longer the primary residence of the owner, the loan will be deemed due in full with any interest accrued. In some circumstances, an owner may rent their home temporarily to a Qualified Tenant Household, as defined in these program guidelines, with written approval from Nevada County Down Payment Assistance program administrator, and as outlined in these guidelines. The County may require proof of occupancy through submission of utility bills and/or other documentation, such as tax statement or insurance policies. The County reserves the right to perform site visits if necessary to document occupancy status.

2.6 Applicant Process and Selection

Funds for assistance are reserved on a first-come, first-served basis, based on receipt of a Final Program Application, a ratified residential sales agreement, other documentation listed in Step 4, section 2.6 of these guidelines, and approval from Nevada County's loan committee. Completed initial applications with no action taken after six months will be considered inactive. An applicant may request an extension with full re-verification of application information.

Steps to apply for Down Payment Assistance are as follows:

1. Complete the Program Education Workshop/Homebuyer Education

Potential applicants are required to attend a program orientation and/or a homebuyer education workshop. The orientation and/or workshop will be available as pre-recorded online training and periodically as a live webinar.

2. Submit a Pre-Approval Application and Supporting Documents

After completing the program education workshop/homebuyer education, a link to the Pre-Approval Application portal will be provided. Applicants must submit the following supporting documents with the Pre-Approval Application:

- A complete program Pre-Approval Application package (Attachment A).
- A lender pre-approval letter with a maximum loan amount dated within the last 60 days, and still current with the lender.
- Proof of Identity – A Valid California Driver's License or ID card
- Program Acknowledgement Form from lender certifying lender participation with the Down Payment Assistance Program (Attachment B).
- Supporting documentation to verify household income and size.
- Supporting documentation to verify assets that count towards eligibility determination
- Proof of Residency in Nevada County - lease agreement or utility bill.

Supporting Documentation to verify household income, assets, and household size may include, but is not limited to, the following. Applicant may coordinate with the lender to provide copies of income verification documents to the County.

- For Employees:
 - Three months of the most recent paystubs for all jobs in the last 12 months
 - W2s for two years
 - Tax returns and 1099s for the past three years
- For Self-Employment:
 - The latest quarter's profit and loss statement
 - Tax returns, W-2's and/or 1099's for the past three years
- Social Security award letter
- Three most recent statements for all asset accounts
- Child Support verification
- Income Self-Certification form (Attachment C)
- Asset Verification Form – Attachment J

Incomplete applications will not be considered. Applicants will have up to two opportunities over 10 business days to supply additional missing or clarifying documents. If the application is still missing information or documentation after two attempts over 10 business days, it may result in program disqualification.

Applicant will be notified of their pre-approval or denial status for the Down Payment Assistance Program in writing after application is reviewed by the program administrator in the order that it is received. If approved, the program administrator will issue the applicant a program pre-approval letter valid for six months that allows them to submit a Final Program Application for reimbursement.

NOTE: Program pre-approval is not a guarantee for reservation of funds. Funds will be reserved once a completed Final Program Application is received and approved, a ratified residential sales agreement and all other documentation listed in Step 4, Section 2.6 of these guidelines is received, and approval is received from Nevada County's loan committee. See Step 4 below for information on how funds are guaranteed.

3. Participate in a Formal Pre-Funding Phone Appointment

The program administrator will conduct a formal pre-funding phone appointment with buyers to answer questions about the funding process, program requirements, and execution of legal documents, as described in Section 6 of these guidelines.

4. Submit a Final Program Application

The applicant must submit a Final Program Application (Attachment D) within three days of executing a residential sales agreement. It is critical for applicants to submit the Final Program Application in a timely manner because funding availability and final approval is

not guaranteed until the Final Program Application and supporting documentation are received and approved, including any additional income verification needed. If the Final Program Application is not submitted within 3 days of executing a purchase contract, it may result in program disqualification.

Applicant must submit the following supporting documents with the Final Program Application to reserve funds:

- Ratified Residential Sales Agreement
- Loan Officer, Real Estate Agent, and Title Company Contacts
- Preliminary Title Report
- Mortgage Application with good faith estimates and first mortgage disclosures
- Borrower's Credit Report
- Current Third-Party Income Verifications

The program administrator will conduct an inspection of the proposed home for purchase to ensure that the home is safe, sanitary, and in good repair, and confirm in writing that the property is eligible for program participation. The program administrator will coordinate with applicant and their real estate agent, loan officer and title company to collect final required documentation.

When primary lender requirements are met and the program administrator receives all necessary documentation per section 7.0 of these guidelines, program funds are committed and deposited into escrow.

3.0 HOUSING UNIT ELIGIBILITY

3.1 Property Location and Characteristics

All funds are to be used for purchases of homes within Nevada County. Eastern County, for the purpose of determining eligibility, will be defined as home located in the Tahoe Truckee Unified School District boundaries.

Down payment assistance may be used to purchase single family residences, condominiums, townhomes, residences with accessory dwelling units, and/or junior accessory dwelling units and manufactured homes when the land on which the manufactured home is located is also purchased.

Each assisted property must contain documentation of whether the residence is located in a flood plain. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the County of Nevada as additional insured to close escrow.

3.2 Property Condition

All housing units must comply with State and local codes and ordinances, including manufactured housing. Eligible housing that will be acquired for homeownership must be decent, safe, sanitary, and in good repair. At a minimum, this housing must meet all

applicable State and local housing quality standards and code requirements. Homes are not eligible if they have known code violations, open code violation cases, or unpermitted construction. Homes will be inspected by a Nevada County staff member to document compliance before final approval of assistance.

A County staff member will walk through the housing unit, determine if it is structurally sound, and identify any state and local code and/or health and safety deficiencies that need to be corrected. A list of deficiencies will be given to the homebuyers and their real estate agent to be negotiated with the seller. The home must meet state and local health and safety codes at time of occupancy and six months after occupation.

4.0 THE PRIMARY LOAN

4.1 First Mortgage Approval

Individual Buyers must qualify for first mortgage financing from an approved lender for the maximum amount the primary lender is willing to loan. Applicants must submit a lender pre-approval letter with their application with a maximum loan amount. Verification of final loan terms will be required prior to final approval for program compensation.

Cosigners and guarantors are not allowed. Loan signers must be household members who are included on the application and total household income of all loan signers shall be included as part of the applicant's total income when determining the applicant's income eligibility level.

Nevada County has provided a list of approved lenders on the Housing and Community Services webpage. Applicants may work with one of these lenders or any lender that has reviewed the Down Payment Assistance Program documents and has confirmed in writing that they are able to lend in concert with the program.

4.2 Primary Loan Terms

The first mortgage loan must be fixed rate, fully documented, loan term not to exceed 30 years. The mortgage payment must be fully amortizing. Prohibited loan types include stated income, adjustable rate, interest-only, negative amortizing, private loans and loans with balloon payments.

4.3 Impound Account

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

5.0 THE PROGRAM LOAN

5.1 Maximum Amount of Program Assistance

All eligible buyers will qualify for a flat assistance payment of \$50,000. Program funds are not intended to be used as earnest money deposit but can be used towards closing costs.

5.2 Eligible Loan Costs

The Down Payment Assistance loan may include the down payment and escrow or closing fees. Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the program loan.

5.3 Program Loan Terms

In all cases, the maximum loan amount shall be \$50,000 per eligible household. Interest shall be at a simple rate of 3% over the life of the loan. Loan payments are deferred during the loan term and will be due at the end of the 30-year period, at the time the home is sold, or at time of a permitted title transfer, whichever is sooner. A Deed of Trust (Attachment E) and Promissory Note (Attachment F) shall secure all loans through the program. All owner-occupants listed on the benefiting property title are required to sign a Deed of Trust and Promissory Note, and any other loan related documents. The Nevada County loan will be subordinate to the primary lender's loan.

Principle and any interest are due upon sale or transfer of the property, unless the transfer is allowed as outlined in the Promissory Note and Deed of Trust.

5.4 Program Layering

The Down Payment Assistance Program will consider applications that combine funds with other sources of housing assistance funds, and the Down Payment Assistance Program Deed of Trust may subordinate to the Deed of Trust of another housing assistance program if required by that program and approved by Nevada County. Funds may be combined with other programs that require a deed restriction. Buyers who use additional housing assistance funds must comply with program requirements from all funding sources.

6.0 PROGRAM LOAN PROCESSING AND APPROVAL

6.1 Loan Underwriting and Approval

All homebuyers eligible for the program will receive an eligibility packet with all the necessary forms, disclosures, information, and applications. Instructions for applying to the program are outlined in section 2.6 of these guidelines.

After submission of the Final Program Application, as outlined in section 2.6, the program administrator will coordinate with the County loan committee to approve the County loan. Buyers should submit a complete Final Program Application and include the following supporting documentation for reservation of funds:

- Ratified residential purchase agreement
- Loan Officer, Real Estate Agent, and Title Company Contacts
- Preliminary Title Report

- Mortgage application with good faith estimates and first mortgage disclosures
- Borrower's Credit Report
- Current Third-Party Income Verifications

If not already submitted, all other documentation as outlined in these guidelines must be submitted. After initial review of the applicant's Final Program Application, the program administrator will request any additional documents needed and forward the loan request to the loan approval committee.

6.2 Loan Committee

The loan committee shall consist of three Nevada County staff members: the Health and Human Services Agency Chief Fiscal and Administrative Officer, the Housing and Community Services Department Director, and the Deputy County Executive Officer/Chief Fiscal Officer, or designees. All members of the loan committee will be required to approve each Down Payment Assistance loan request. The loan committee will make a determination as soon as possible after submission of all final documents; and within no more than 5 business days.

The loan committee will review the applicant eligibility summary, primary mortgage loan terms, property appropriateness, and any exceptions to these guidelines applicable to the applicant. The loan committee will decide the appropriateness of the borrower as a candidate for the Down Payment Assistance program loan. If the decision is to decline the loan request, the program administrator will provide the applicant with written explanation of the decline decision. If appropriate, referrals to other organizations will be made. Strict client confidentiality shall be always maintained, and personal financial records and information will not be made available to the public at any time. If the decision is to grant the loan request, the program administrator or designee will notify the program applicant in writing, and with the program administrator's or designee's approval signature, of loan approval and a preliminary commitment of funds contingent on final documentation submitted.

7.0 PURCHASE PROCESS

Homebuyers will conduct the housing unit selection process. The program administrator will guide buyers, real estate agents, lenders, and title companies through the Down Payment Assistance Program process. The program administrator will conduct a formal pre-funding phone appointment with buyers to answer questions about the funding process, program requirements, and execution of legal documents. The application process is described in section 2.6 of these guidelines.

7.1 Real Estate Agent Representation

Buyers that choose to work with a real estate agent to represent them in the homebuying process will choose their own agent for representation and provide contact information to the program administrator.

7.2 Title Requirements

All adult household members must appear as an owner or co-owner on the Unit title at the time of purchase. This requirement may be evaluated on a case-by-case basis. Not all adult household members are required to be added to the loan.

The following exceptions apply to adult household members required to be added to the title:

- Legal dependents of titleholders as claimed on the most recent federal income tax returns. Spouses or domestic partners are not considered dependents.
- Household members younger than age 26 who are the child of a titleholder who will reside in the housing Unit as their primary residence, regardless of dependent status on the federal tax form of a titleholder.

7.3 Residential Sales Agreement

The buyer or their agent will send a copy of the fully executed residential sales agreement to the program administrator within three days of execution. Close of escrow cannot be sooner than 45 days; 60 days is recommended. The lender and real estate agent are responsible for keeping the buyer and program administrator informed of key timelines.

7.4 Fair Market Value Appraisal

The buyer's loan agent shall ensure the ordering of the fair market value appraisal within five (5) days of seller's acceptance of the buyer's offer. The program administrator will be provided with a copy for review. The County is not responsible for fees associated with the appraisal. County staff will compare the appraisal to the property's building permit records to confirm that the appraisal description matches the building permit records.

7.5 Closing Documentation and Commitment of Funds

Fifteen (15) business days prior to closing of escrow, Buyers will submit to program administrator:

- Uniform Residential Loan Application – Form 1003
- Underwriting and Transmittal Summary – Form 1008
- Loan Estimate
- Fair Market Value Appraisal dated within 90 days from the date of Uniform Residential Loan Application
- Buyers estimated closing statement from title company
- Confirmation of Buyer's names and vesting
- Current third-party income verifications
- Any necessary disclosures

Within three (3) days after of close of escrow, Buyer or lender will submit:

- Final signed loan application
- Final verification of continued employment (standard lender practice of verbal confirmation is sufficient)
- Signed and notarized Promissory Note
- Signed, notarized, and recorded Deed of Trust
- Proof of hazard, fire, and property insurance. If necessary, proof of flood insurance will be submitted.
- Copies of the California Land Title Association (CLTA) and the American Land Title Association (ALTA)
- Signed, notarized, and recorded Request for Notice of Default or Sale
- Final signed disclosures included in the County's escrow instructions

The County loan's Deed of Trust and Request for Notice of Default or Sale will be recorded by the title company in the escrow process.

8.0 PROGRAM LOAN REPAYMENTS

8.1 Loan Payment and Assumption Policies

All program assistance to individual households shall be made in the form of deferred payment (interest and principle) for the life of the loan; however, loan payments will be accepted without penalties from borrowers prepaying deferred loans and from borrowers making payments in full upon sale of the property or change in title. Borrowers may begin making voluntary payments at any time, upon notification to and approval from the program administrator. All loans are payable to:

County of Nevada
Housing and Community Services
950 Maidu Avenue
Nevada City, CA 95959

Loans are not assumable unless specified in the Deed of Trust and Promissory Note.

The County may allow forgiveness of all or a portion of the interest if loan recipients are able to demonstrate financial hardship in repayment of the loan.

Attachment I, Loan Servicing Policies and Procedures, includes more information on loan payments and assumptions.

8.2 Loan Servicing

The county will collect monthly payments from those borrowers who are obligated to do so under the promissory note. Late fees will be charged for payments received after the assigned monthly date.

The county may accept voluntary payments on deferred loans. Loan payments will be credited to interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

To keep the loan from going into default, borrower must maintain property insurance coverage naming the county as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the County may take out forced place insurance to cover the property while the borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance. Should the borrower fail to secure and maintain the required property insurance, the county may declare the loan in default.

When a property is located in a 100-year flood plain, the borrower will be required to carry the necessary flood insurance with the County names as additional insured. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The County will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the borrower fails to maintain payment of property taxes, the County may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Should the borrower fail to maintain payment of property taxes, the lender may declare the loan in default.

Attachment I details Nevada County's Loan Policies and Procedures.

8.3 Due Upon Sale, Transfer, or Vacating Principal Occupancy

Loans are due upon sale or transfer of title, when borrower no longer occupies the home as his/her principal residence, or upon the loan maturity date. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes.

Title transfers are permitted under limited circumstances listed in the Promissory Note and Deed of Trust. See Attachment F and Attachment E.

8.4 Foreclosure

See Attachment I, Loan Servicing Policies and Procedures for detailed information on foreclosures.

9.0 SUBORDINATE FINANCING

9.1 Refinancing

Refinancing may be allowed with 30 days' written notice (Attachment G) to the Nevada County program administrator. Refinancing may be limited to situations that are advantageous for the homeowner, such as a lower interest rate and/or better loan term.

Upon receiving proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow

company will provide the proper subordination document for execution and recordation by the County.

Attachment I, Loan Servicing Policies and Procedures, includes more information on refinancing and subordination.

10.0 PROGRAM REQUIREMENTS

10.1 Hazard Insurance Requirements

Fire and flood insurance (if applicable) are required to be maintained in an amount equal to the replacement value of the home and the County must be named as an additional insured or an additional loss payee.

10.2 Title Insurance

Buyers must obtain title insurance in the amount of the Nevada County Down Payment Assistance loan by the end of escrow.

10.3 Annual Monitoring

Nevada County will coordinate with owners and any qualified tenants once a year to ensure adherence to program requirements, including, but not limited to:

- Owner Occupancy through self-certification
- Property tax payment
- Hazard and fire insurance coverage

For qualified tenants, Nevada County will verify rent rates and tenant eligibility. The county will work with the owner on a remedy if participants are found to be in default.

11.0 SELLING

Owners may sell their Unit at any time. At the time of sale, the principal loan amount and any interest will be due. When an Owner has decided to sell a Unit, a Notice of Intent to Sell (Attachment H) must be submitted to Nevada County Housing and Community Services at least 30 days before the home is listed for sale.

12.0 RENTING

An owner may rent out the home to a Qualified Tenant Household that meets the income criteria of the Down Payment Assistance Program. Rent shall be no more than 30% of the tenant household's income and the Qualified Tenant Household must occupy the home as their primary residence. The lease period must be a minimum of 12 months initially and may be month to month after the initial 12-month period.

All leases must be in writing and tenants must be approved in advance by the program administrator to ensure that they are within the program income limits. The program does not lease Units directly or screen tenants in any way for the benefit of the owner/landlord and the

program administrator does not act as a landlord or property manager. The program administrator will coordinate with Owners wishing to rent their Unit to confirm the Owner's selected tenants meet the income requirements of the program before the lease is signed. Owners are responsible for ensuring their tenants meet their lease criteria before the program administrator verifies program eligibility.

Short term renting, hosted renting, or any type of renting for fewer than 12 months is not allowed.

13.0 PROGRAM GUIDELINE AMENDMENTS

Nevada County may make amendments to the program guidelines in concert with the loan committee and any internal or governing body approvals that apply. Amendments will be posted to the Housing and Community Services webpage, and it is the responsibility of applicants to review amendments to the guidelines.

14.0 EXCEPTIONS AND SPECIAL CIRCUMSTANCES

Exceptions to these guidelines will also be approved by the loan committee.

14.1 Definition of Exception

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently than stated in these guidelines would be an exception.

14.2 Procedure for Exceptional Circumstances

The program administrator may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the recommended course of action and any written or verbal information supplied by the applicant. The program administrator shall present the exception to the loan committee for final approval.

15.0 DISPUTE RESOLUTION AND APPEALS PROCEDURES

Any person/household applying to the Down Payment Assistance Program has the right to appeal if their application is denied. In addition, during the purchase process, the Buyer has a similar right to have any disputes heard and resolved.

The program administrator is primarily responsible for ensuring that the program is implemented in compliance with state and federal regulations in a timely and responsible manner. This includes developing accurate professional files and contract documents and facilitating questions and answers about the program's processes. Communication between the primary lender and real estate agent are the responsibility of the Buyer.

Complaints concerning the Down Payment Assistance program should be made to the program administrator. If the complaint remains unresolved, the complaint or appeal shall be made in writing and submitted to the program administrator for escalation to the loan committee. The program administrator will then schedule a meeting with the loan committee for resolution of the complaint. Their written response will be made within fifteen (15) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the County Board of Supervisors for final resolution.

Anyone that feels they have been discriminated against based on any characteristic that violates fair housing practices according to [Fair Housing Act](#) should contact the following or visit the Nevada County Fair Housing webpage for more information: [Nevada County Fair Housing](#).

California Department of Fair Employment and Housing

(800) 700-2320

2218 Kausen Drive, Suite 100

Elk Grove, CA 95758

www.dfeh.ca.gov

contact.center@dfef.ca.gov

Department of Housing and Urban Development

Regional Office: (415) 489-6400

Housing Discrimination Hotline: (800) 669-9777

One Sansome Street, Suite 1200

San Francisco, CA 94104

California Department of Consumer Affairs

800)-952-5210

dca@dca.ca.gov



Nevada County
Down Payment Assistance Program
Pre-Approval Application

Nevada County's Down Payment Assistance Program aims to support Nevada County residents in achieving stability through home ownership. The purpose of this program is to support home ownership for moderate income households with income between 80% and 120% of Area Median Income (AMI) for Western County residents with a maximum income of 150% AMI for Eastern County residents, as defined by the Tahoe Truckee Unified School District.

Applications will be reviewed in the order they are received after all supporting documentation has been submitted. When submitting your application, please provide copies of the following income documentation along with your application.

- 3-months of pay stubs **AND** 2 years of W2s for all adult household members over 18 that will be living in home
- If a business owner/self-employed – most recent quarter's Profit and Loss Statements
- SSI and/or retirement statement for all adult members of household
- 3-months of recent asset statements for all accounts (checking/savings/401K/stocks/etc)
- Tax returns and W2s for 3 years (include 1099's if applicable)
- Court ordered spousal/child support (if applicable)
- Income Self-Certification - Attachment C
- Asset Verification Form- Attachment L

INCOME ELIGIBILITY

Current income limits are listed in the table below. Income limits are determined by the United States Department of Housing and Urban Development (HUD), adjusted for household size. Income limits are updated annually. Allowable Assets for the program may not exceed 30% of the sales price of the home the applicant intends to purchase. Refer to the program guidelines for income and asset inclusions and exclusions, Attachment K.

2025 Income Limits for Nevada County Area Median Income of \$124,600 – Western County

Household Size	1	2	3	4	5	6	7	8
Minimum Income	\$63,701	\$72,801	\$81,901	\$91,001	\$98,301	\$105,601	\$112,851	\$120,151
Maximum Income	\$104,650	\$119,600	\$134,550	\$149,500	\$161,450	\$173,400	\$185,400	\$197,350

Marital Status: Married Separated Unmarried		
Current Home Address		
Mailing Address <i>(complete if different from housing unit address):</i>		
Primary Language:	<input type="checkbox"/> Male <input type="checkbox"/> Female	Ethnic Background <i>(select only one):</i> <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
Racial Background <i>(select only one):</i> <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> Asian & White <input type="checkbox"/> American Indian/Alaskan Native & African American <input type="checkbox"/> Other		
Applicant #3		
Name (Must be full legal name for vesting on title):		
Email:	Cell/Home Phone:	
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried		
Current Home Address		
Mailing Address <i>(complete if different from housing unit address):</i>		
Primary Language:	<input type="checkbox"/> Male <input type="checkbox"/> Female	Ethnic Background <i>(select only one):</i> <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic
Racial Background <i>(select only one):</i> <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> Asian & White <input type="checkbox"/> American Indian/Alaskan Native & African American <input type="checkbox"/> Other		



Household Member Name:			
Asset Name	Total Amount of Asset	Type of Account	Amount of Income Received

Household Member Name:			
Asset Name	Total Amount of Asset	Type of Account	Amount of Income Received

SECTION 6: CERTIFICATION

County of Nevada and its representatives will not discriminate against any applicants on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental disability, or genetic information.

I/WE certify that our application for this assistance does not result in a conflict of interest as described in the program guidelines.

I/WE certify that the household size and household income stated is true and complete and that all household members and household income has been disclosed with supporting documentation provided for each source of income. I/WE have listed all persons in my/our household. I/WE have provided each household member's acceptable verification of current annual income. I/WE have also disclosed all assets held by each person listed on the application and have provided documentation thereof.

I/WE understand and agree that Nevada County and its administrators reserve the right to verify and exchange information from third parties to determine household program eligibility. Third parties may include but are not limited to employers, financial institutions, loan officers, government agencies, property managers, credit reporting bureaus, etc. The information submitted in this application will be used to determine program eligibility and is not a commitment to lend or any guarantee to purchase.

I/WE have read and understand the forgoing application and requirements. I/WE certify that all statements made in this application form are true and made for the purpose of applying to Nevada County's Down Payment Assistance Program. Verification may be obtained from any source named in this application, or another third party as necessary for approval. I/WE further understand that any omission, misrepresentation, misstatements, deletions, falsifications, or other actions that result in MY/OUR not conforming to the requirements of the program will subject MY/OUR application to immediate cancellation and cause any disbursed funds to me to be immediately due and payable and may cause further legal action if warranted.

Process

If your application is approved, you will be notified through the email or phone number listed on the application. The County will then work with you to guide you through the program process.

Signatures

All household members over 18 must sign the application and provide income documentation.

Printed Name (First, Last)	Signature	Date
Applicant #1:		
Applicant #2:		
Applicant #3:		

Printed Name (First, Last)	Signature	Date
Other Household Member over age 18:		
Other Household Member over age 18:		
Other Household Member over age 18:		





**County of Nevada
Down Payment Assistance Program
Program Acknowledgement Form**

This certification is required for participation in the Nevada County Down Payment Assistance Program. I, the undersigned, certify the following on behalf of:

Lender Name: _____

1. The Lender has received and reviewed the following official documents related to the Nevada County Down Payment Assistance Program:
 - Program Guidelines
 - Promissory Note
 - Deed of Trust
2. The Lender's legal and/or underwriting department has approved the use of the Nevada County Down Payment Assistance Program and confirms that it is authorized and able to originate loans in conjunction with this program.
3. The Lender acknowledges the following program requirements:
 - All first mortgage loans must be 30-year fixed-rate mortgages with property tax and insurance impounds.
 - The County's loan will require an ALTA and a CLTA Lender's Title Policy and must be listed as a loss payee on the homeowner's hazard insurance policies.
4. The Lender understands that for each application submitted under this program, the following documentation must be provided prior to any commitment to lend:
 - Form 1008 (Underwriting Transmittal Summary)
 - Form 1003 (Uniform Residential Loan Application)
 - Loan Estimate
 - Closing Disclosure
 - Property Appraisal
 - Borrower(s) Credit Report

Certification

By signing below, I affirm that I have the authority to bind the above-named lender, and that the lender agrees to comply with all terms and requirements of the Nevada County Down Payment Assistance Program as outlined in this certification and accompanying documentation.

Authorized Lender Representative:

Name: _____

Title: _____

Email: _____

Phone: _____

Signature: _____

Date: _____



**Nevada County
Down Payment Assistance Program
Income Self-Certification Form**

Complete one form for each household member over 18.

Household Member Name: _____

1. I will receive income from the following sources over the next 12 months:

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Wages from employment (including commissions, tips, bonuses, fees, etc.)
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Income from operation of a business
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Rental income from real or personal property
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Interest or dividends from assets
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Social Security, annuities, insurance policies, retirement funds, pensions, or death benefits
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Unemployment or disability payments
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Public assistance payments
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Periodic allowances such as alimony, child support, or gifts received from persons not living in my household
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Self-employment sales. Examples: Door Dash, Amazon, Facebook Reels, etc.
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Any other source not named above.
<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	I have no income of any kind, and no change is expected in the next 12 months.

Please explain any Yes answers and list the annual amounts:

2. I certify that I have provided income documentation for all income sources (For example: W-2 Forms, paycheck stubs, earnings statements, tax returns, etc.)

3. I will be using the following sources of funds to pay for mortgage/rent, food, transportation, utilities, and other necessities: _____

Therefore, I certify my anticipated gross annual income for the next 12 months to be: \$

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of grant award. The information provided is subject to verification by the county or eligible municipality.

Signature

Printed Name

Date



**Nevada County
Down Payment Assistance Program
Final Program Application**

Nevada County's Down Payment Assistance Program aims to support Nevada County residents in achieving stability through home ownership. The purpose of this program is to support home ownership for moderate income households with income between 80% and 120% of Area Median Income (AMI) for Western County residents with a maximum income of 150% AMI for Eastern County residents, as defined by the Tahoe Truckee Unified School District.

This is the final program application. Eligibility documentation was submitted previously, and this application represents the final information needed for program and property approval. Please submit the following documentation with this Final Application.

- Ratified (signed) Residential Sales Agreement
- Loan Officer and Real Estate Agent Contacts
- Preliminary Title Report
- Mortgage application with good faith estimates and first mortgage disclosures
- Borrower's Credit Report
- Current third-party income verifications

SECTION 1: PROPERTY INFORMATION

Address of Property for Purchase	
General Description of Property and Home (# of bedrooms and bathrooms, acreage, etc.)	
Assessor Parcel Number (APN)	
Is the Home a Mobile or Manufactured Home?	

SECTION 2: CONTACTS

Real Estate Agent Contact		
Business Name:		
Agent Name:		
Email:	Phone:	Fax:
Mailing Address:		



Lender Contact		
Business Name:		
Agent Name:		
Email:	Phone:	Fax:
Mailing Address:		

Title Company Contact		
Business Name:		
Contact name:		
Email:	Phone:	Fax:
Mailing Address:		

SECTION 3: APPLICANT INFORMATION

Please complete the information below as an update to the Proe-Approval Application for all adult members of the household over 18 who will be on title. Please write N/A if not applicable.

Applicant #1	
Name (Must be full legal name for vesting on title):	
Email:	Cell/Home Phone:
Marital Status: Circle One: Married Separated Unmarried	
Current Home Address	
Mailing Address <i>(complete if different from housing unit address):</i>	
Applicant #2	
Name (Must be full legal name for vesting on title):	
Email:	Cell/Home Phone:
Marital Status: Circle One: Married Separated Unmarried	
Current Home Address	
Mailing Address <i>(complete if different from housing unit address):</i>	

Applicant #3

Name (Must be full legal name for vesting on title):

Email:

Cell/Home Phone:

Marital Status:

Circle One:

Married

Separated

Unmarried

Current Home Address

Mailing Address (*complete if different from housing unit address*):

SECTION 4: HOUSEHOLD

List any additional household members not listed on the Pre-Approval Application (Including Applicants, Spouses, Children, Elderly Family, Members, etc. Please refer to the program guidelines for detailed guidance on including family members.

Household Member Name	Relation to Applicant	Male or Female	Date of Birth	Age	SSN

SECTION 5: HOUSEHOLD EMPLOYMENT AND INCOME

List any new income by household members over 18 that was not listed on the Pre-Approval Application.

Household Member #1				
Name:				
Employer Name	Job Title	Dates Employed	Employer Phone	Goss Monthly Income
Additional Income				
Income Source		Gross Monthly Income		How long it will continue

Household Member #2				
Name:				
Employer Name	Job Title	Dates Employed	Employer Phone	Goss Monthly Income
Additional Income				
Income Source		Gross Monthly Income		How long it will continue



Household Member #3				
Name:				
Employer Name	Job Title	Dates Employed	Employer Phone	Goss Monthly Income
Additional Income				
Income Source		Gross Monthly Income		How long it will continue

SECTION 6: Assets

List any new assets not listed on the Pre-Approval Application (bank accounts/stocks/bonds/retirement/cash on hand/real estate owned). See program guidelines for full list of assets to include.

Household Member Name:			
Asset Name	Total Amount of Asset	Type of Account	Amount of Income Received

Household Member Name:			
Asset Name	Total Amount of Asset	Type of Account	Amount of Income Received

Household Member Name:			
Asset Name	Total Amount of Asset	Type of Account	Amount of Income Received



SECTION 7: CERTIFICATION

County of Nevada and its representatives will not discriminate against any applicants on the basis of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, physical or mental disability, or genetic information.

I/WE certify that our application for this assistance does not result in a conflict of interest as described in the program guidelines.

I/WE certify that the household size and household income stated is true and complete and that all household members and household income has been disclosed with supporting documentation provided for each source of income. I/WE have listed all persons in my/our household. I/WE have provided each household member's acceptable verification of current annual income. I/WE have also disclosed all assets held by each person listed on the application and have provided documentation thereof.

I/WE understand and agree that Nevada County and its administrators reserve the right to verify and exchange information from third parties to determine household program eligibility. Third parties may include but are not limited to employers, financial institutions, loan officers, government agencies, property managers, credit reporting bureaus, etc. The information submitted in this application will be used to determine program eligibility and is not a commitment to lend or any guarantee to purchase.

I/WE have read and understand the forgoing application and requirements. I/WE certify that all statements made in this application form are true and made for the purpose of applying to Nevada County's Down Payment Assistance Program. Verification may be obtained from any source named in this application, or another third party as necessary for approval. I/WE further understand that any omission, misrepresentation, misstatements, deletions, falsifications, or other actions that result in MY/OUR not conforming to the requirements of the program will subject MY/OUR application to immediate cancellation and cause any disbursed funds to me to be immediately due and payable and may cause further legal action if warranted.

Process

If your application is approved, you will be notified through email or phone number listed on the application. The County will then work with you to guide you through the program process.

Signatures

All household members over 18 must sign the application and provide income documentation.

Printed Name (First, Last)	Signature	Date
Applicant #1:		
Applicant #2:		
Applicant #3:		

Printed Name (First, Last)	Signature	Date
Other Household Member over age 18:		
Other Household Member over age 18:		
Other Household Member over age 18:		

RECORDING REQUESTED BY AND
 WHEN RECORDED RETURN TO:
 County of Nevada
 950 Maidu Ave.
 Nevada City, CA 95959
 Attn: Tyler Barrington
 NO FEE FOR RECORDING PURSUANT TO
 GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NEVADA COUNTY
 DOWN PAYMENT ASSISTANCE PROGRAM
 DEED OF TRUST
 (SINGLE FAMILY OWNER-OCCUPIED RESIDENCE)**

**NOTICE TO BORROWER:
 THIS DEED OF TRUST CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS**

THIS DEED OF TRUST (the "Security Instrument") is made on **DATE** between the Trustor(s) **Homeowner name** (the "Borrower(s)"), and **Title Company**, a California corporation, as Trustee (the "Trustee"), whose address is **Address of Title Company** for the benefit of **Nevada County**, a political subdivision of the State of California (the "Lender"), through its **Down Payment Assistance Program** (the "Program"), whose mailing address is **950 Maidu Avenue, Nevada City, CA 95959**.

BORROWER(S), IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED, IRREVOCABLY GRANTS, CONVEYS, AND ASSIGNS TO TRUSTEE, in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest (including any claim or demand in law or equity), and unconditionally assigns and transfers to Beneficiary all of Borrower's right, title, and interest in and to all existing and future leases and all rents, issues, and profits (collectively, the "Rents") from the property, now held or hereafter acquired in and to the following:

1. All of that certain real property ("Property") located in Nevada County, State of California and described in **Exhibit A**, attached hereto and made a part hereof, which has the address of **Address of home**.
2. All buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property; all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of

the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

3. All rents, issues, and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letter of credit, insurance policies, insurance and condemnation award and proceeds, trade names, trademarks, and service marks arising or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

FOR THE PURPOSE OF SECURING:

1. Repayment of the indebtedness evidenced by Borrower's Promissory Note dated **of even date herewith (the "Note")**, and entitled County of Nevada Down Payment Assistance Promissory Note, in the principal amount of **AMOUNT** Dollars (**\$xxx**), together with simple interest of three percent (3%) per annum on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note. "County Loan Documents" shall mean, collectively, the Note and this Deed of Trust of even date herewith.
2. Payment of such additional sums, with interest, thereon:
 - a. As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note; and
 - b. As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of Trust and any modification, extension, or renewal of this Deed of Trust; and
 - c. As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.
3. Performance of each obligation, covenant, and agreement of Borrower contained in this Deed of Trust, the Note, or any other document executed by Borrower in connection with the loan(s) secured by this Deed of Trust, and all amendments to these documents whether set forth in this Deed of Trust or incorporated in this Deed of Trust by reference.

BORROWER COVENANTS: Borrower hereby covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property against all claims and demands subject to any declarations, easements, or restrictions

listed in the schedule of exemptions to coverage in any title insurance policy insuring Lender's interest in the Property.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. **Payment of Principal and Interest.** That Borrower shall promptly pay, when due, the principal and interest on the Note, and such other charges as are provided in the Note, and such other amounts as are provided under this Deed of Trust.
2. **Occupancy.** Borrower and Borrower's immediate family shall occupy the Property as Borrower's principal place of residence during the term of the Note.
3. **Rent or Lease of the Property.** Only with the County's written permission, a home owner may be approved to rent their home to a Qualified Tenant household, defined as a tenant earning no more than 150% area median income as defined by the U.S. Department of Housing and Urban Development. The tenant must occupy the home as their primary residence. Maximum rent allowed to be charged cannot exceed 30% of 150% area median income, adjusted for bedroom size.
4. **Sale or Transfer of Property.** Before sale or transfer of title, the Borrower, or the Borrower's representative, shall notify the Lender of his or her intention to sell or otherwise transfer title. Except as otherwise provided in this Deed of Trust, when Borrower transfers title, the entire Loan which is evidenced by the Note shall be immediately due and payable.
5. **Resale Recapture Provisions.** The following provisions restricting resale will apply for a period of 30 years. Net proceeds shall be repaid to the County of Nevada to assist another homebuyer to obtain a home within Nevada County. The amount paid to the County, at sale, is called "net proceeds." The County's portion of net proceeds will be equal to the percentage of investment in the property. Net proceeds shall not exceed the sales price minus loan repayment and closing costs. If the net proceeds are insufficient to repay both the County investment plus the homeowner's investment, the County may forgive a prorated share of the net proceeds based on the amount of time the homeowner occupied the unit. When the net proceeds are not enough to repay the full investment by the County, the homeowner will not recover more than his or her investment.
6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower,

may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Section, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder.

7. Insurance. To keep the Property insured with loss payable to the Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies on such forms and in the amount of the replacement cost of the Property, and to deliver the original of all such policies to the Lender, together with receipts satisfactory to the Lender evidencing payment of the premiums. All such policies provide that the Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the Lender, shall be delivered to the Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. All insurance proceeds for such losses must be utilized for the repair or restoration of the insured property.

8. Subordination. Borrower will observe and perform all of the covenants and agreements of the First Lender Note, First Lender Deed of Trust and related to First Lender loan documents. "First Lender" refers to the loan made to Borrower by **Insert Name of First Lender** with an original principal balance of **Insert Balance of Original First Lender Note** executed by Borrower in favor of First Lender ("First Lender Note"), to assist in the purchase of the Property. Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Borrower.

9. Payments and Discharge of Liens. Borrower will pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given

the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and Borrower shall post security for the payment of these contested claims as may be requested by the Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

10. Maintenance of the Property. (a) To keep the Property in a decent, safe, sanitary, tenable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of the Lender.

11. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any such inspection specifying reasonable cause for the inspection.

12. Payment of Taxes and Utility Charges. Borrower shall pay, at least ten (10) days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, fines and impositions attributable to the Property, leasehold payments or ground rents, if any, and any interest on the Property or any part thereof; all costs, fees and expenses of this trust. Borrower shall make such payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and Borrower shall promptly furnish to Lender receipts evidencing all such payments made.

13. Appear and Defend. Borrower shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Lender or Trustee may appear, and in any suit brought by the Lender to foreclose this deed.

14. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Section 2.1 shall be applied by Lender first to interest payable on the Note and then to the principal due on the Note.

15. Future Advances. Upon request by Borrower, Lender, at Lender's option, may make future advances to Borrower. All such future advances, with interest thereon, shall be added to and become a part of the indebtedness secured by this Deed of Trust when evidenced by promissory note(s) reciting that such note(s) are secured by this Deed of Trust.

16. Disbursements to Protect Lender's Security. All sums disbursed by Lender to protect and preserve the Property, this Deed of Trust, or Lender's security for the performance of Borrower's obligations under the Note shall be and be deemed to be an indebtedness of Borrower secured by this Deed of Trust.

17. Awards and Damages. All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the Lender. The Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Lender shall determine at its option. The Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Lender may be released to Borrower upon such conditions as the Lender may impose for its disposition. Application of all or any part of the amounts collected and received by the Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

18. Prohibition on Transfers of Interest. With the exception of the transfers permitted in Section 23 below, if all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Section 6.9 hereof.

Such notices shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 5.2(a) hereof.

19. Sale or Forbearance. No sale of the Property, forbearances on the part of the Lender, or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

20. The Lender's Rights to Release. Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) The Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness. (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

22. Events Of Default. Any one or more of the following events shall constitute a default under this Deed of Trust:

- a. Failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or
- b. Failure of Borrower to observe or to perform any covenant condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust including but not limited to the occupancy of property by Borrower provision; or

- c. The occurrence of any event which, under the terms of the Note, shall entitle the Lender to exercise the rights or remedies thereunder; or
- d. The occurrence of any event which, under the terms of the First Note and First Deed of Trust shall entitle the Lender to exercise the rights or remedies thereunder.

23. Permitted Transfers. Notwithstanding any other provision of the Note or this Deed of Trust, the following transfers shall not be deemed to be a default under the Note or this Deed of Trust, provided that the Borrower or transferee, if appropriate, shall continue to occupy the home as a principal place of residence and the Borrower shall provide written notice of such transfer to the County:

- a. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant, or child of Borrower by devise or inheritance following death of the Borrower;
- b. A transfer of the Property where the spouse becomes an owner of the property;
- c. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- d. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

24. Acceleration and Sale. Except as provided otherwise in this Deed of Trust, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, upon Borrower's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note, Lender shall mail notice to Borrower specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect from the Borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.

25. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums

secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of the judgment enforcing this Deed of Trust if: (1) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note, had no acceleration occurred; (2) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, remedies including, but not limited to, reasonable attorneys' fees; and (3) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

26. Sale. After delivery to Trustee of a Notice of Default and Demand for Sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provided in this Deed of Trust, the secured obligations or any other such instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

27. Assignment of Rents; Appointment of Receiver; Lender in Possession. Upon acceleration under paragraph (a) of Section 5.2 hereof or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the Rents of the Property (if any) including those past due. All Rents collected by

Lender or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be liable to account only for those Rents actually received. The provisions of this paragraph and paragraph (a) of Section 5.2 shall operate subject to the claims of prior lien holders.

28. Exercise of Remedies; Delay. No exercise of any right or remedy by the Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

29. Trustee Substitution. The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the Lender, to be exercised at any time hereafter, without specifying any reason therefore by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

30. Remedies Cumulative. No remedy herein contained or conferred upon the Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

MISCELLANEOUS PROVISIONS

1. Successors, Assigns, Gender, Number. The covenants and agreements contained in this Deed or Trust shall bind, and the benefit and advantages under it shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

2. Headings. The headings are inserted only for convenience of reference and in no

way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

- a. **Actions on Behalf of the Lender.** Except as otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the Lender is required or permitted under this Deed of Trust, such action shall be in writing.
3. **Terms.** The words “the Lender” means the present Lender, or any future owner or holder, including pledgee of the indebtedness secured hereby.
4. **Obligations of Borrower.** If more than one person has executed this Deed of Trust as “Borrower,” the obligations of all such persons hereunder shall be joint and several.
5. **Incorporation by References.** The provisions of the Program security instruments and the documents relating to the program are incorporated by reference as though set out verbatim.
6. **Severability.** If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.
7. **Indemnification.** Borrower will indemnify and hold the Lender, its Board, directors, commissioners, employees, officers, and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower’s expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result of any legal action arising out of this Deed of Trust.
8. **Notice.** Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower designates by notice to Lender as provided herein; and, (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender’s mailing address stated herein or to such other address as Lender may

designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.

9. Beneficiary Statement. Lender may collect a fee for furnishing the beneficiary statement in an amount not to exceed the amount as provided by Section 2943 of the Civil Code of California.

10. Use of Property. Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.

11. Governing Law. This Deed of Trust shall be governed by the laws of the State of California

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above

Borrower:

Mailing Address for Notices:

Name

Street

Date

City State Zip

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of California

County of _____,

On _____ before me, _____
(insert name and title of the officer)

personally appeared **Borrower Name**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____

Signature: _____

Exhibit A

Legal Description

PLEASE INSERT LEGAL DESCRIPTION FROM PRELIMINARY TITLE

**NEVADA COUNTY
DOWN PAYMENT ASSISTANCE PROGRAM
PROMISSORY NOTE - SECURED BY A DEED OF TRUST**

(Amount)

Date: _____ Property Address:

FOR VALUE RECEIVED, the undersigned, Name of Borrower hereinafter called "Borrower(s)", and all successors and assigns, promise(s) to pay to the order of and for the benefit of Nevada County, hereinafter called "Lender," a political subdivision of the State of California, through its Down Payment Assistance Program, hereinafter called "the Program", or order, at 950 Maidu Avenue, Nevada City, CA 95959, in lawful money of the United States, the principal sum of Amount with simple interest on unpaid principal from the date of recordation until paid, at the rate of three percent (3%) per annum, hereinafter called "Loan". "County Loan Documents" shall mean, collectively, the Promissory Note ("Note") and Deed of Trust ("Deed").

1. BORROWER'S OBLIGATION: This Note evidences the obligation of the Borrower(s) to the Program for the repayment of funds loaned to Borrower(s) for the purpose of assisting in the **acquisition and/or construction** of that certain real property and any improvements thereon; hereinafter called "the Property", described in that certain Deed of Trust securing this indebtedness and dated of even date herewith.

Borrower(s) acknowledge(s) that this Note is given in connection with the purchase of the Property as part of the Nevada County's Down Payment Assistance Program. This Note is not automatically assumable but is subject to Section 711.5 of the California Civil Code which allows Nevada County to accelerate all amounts due under this Note if any subsequent sale or transfer of the Property of any kind does not comply with the provisions of this Note or the Deed of Trust securing it.

2. REPAYMENT OF LOAN PRINCIPAL AND INTEREST: No periodic payments are required hereunder. Borrower(s) agree(s) to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:

- a. 30 years from the date of this Note; or
- b. Upon sale, transfer, rent or lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 3.
- c. Upon Borrowers' failure to occupy the Property as Borrower's principal place of residence.

3. OCCUPANCY; Borrower and borrower's immediate family shall occupy

the Property as Borrower's principal place of residence during the term of the Note. Only with the County's written permission, a homeowner may be approved to rent their home to a Qualified Tenant household, defined as a tenant earning no more than 150% area median income as defined by the U.S. Department of Housing and Urban Development. The tenant must occupy the home as their primary residence. Maximum rent allowed to be charged cannot exceed 30% of 150% area median income, adjusted for bedroom size.

4. PERMITTED TRANSFERS: The Down Payment Assistance Loan is not assumable except under the following limited circumstances, provided that the Borrower or transferee, if appropriate, shall continue to occupy the home as a principal place of residence and the Borrower shall provide written notice of such transfer to the County:

- a. The transfer of the Property to the surviving joint tenant by devise, descent, or operation of the law, on the death of a joint tenant, or child of Borrower by devise or inheritance following death of the Borrower;
- b. A transfer of the Property where the spouse becomes an owner of the property;
- c. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation, or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- d. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. ACCELERATION OF PAYMENT: The principal amount of this loan, together with any then outstanding accrued interest thereon, shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- a. In the event of a default under the terms of this Note and the Deed of Trust.
- b. In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence; or
- c. In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 3 of this Note.

6. EFFECTS DUE-ON SALE CLAUSE: Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 4 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.

7. PLACE AND MANNER OF PAYMENT: All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

8. APPLICATION OF PAYMENTS: All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.

9. ATTORNEY'S FEES: The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

10. DEFAULT AND ACCELERATION: All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of % per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder

11. NOTICES: Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.

12. PREPAYMENT POLICY: Borrower may prepay this Note at any time without penalty.

13. GOVERNING LAW: This Note shall be construed in accordance with and be governed by the laws of the State of California.

14. SEVERABILITY: If any provision of this Note shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15. NO WAIVER BY THE LENDER: No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

16. SUCCESSORS AND ASSIGNS: The promises and agreements herein contained shall bind and inure the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

THE BORROWER(S) HEREBY CERTIFY(IES) TO THE PROGRAM THAT THIS IS THE PROMISSORY NOTE DESCRIBED IN AND SECURED BY THE TRUST DEED COVERING THE REAL PROPERTY THEREIN DESCRIBED.

EXECUTED AT _____, CALIFORNIA

Borrower

Address for Purpose of Notice:

Borrower Name
Borrower Address



**Nevada County
Down Payment Assistance Program
Notice of Refinance**

List all Homeowners on Title

Homeowner's Name _____

Homeowner's Name _____

Homeowner's Name _____

Email Address _____

Phone Number _____

Property Address _____

Mailing Address _____

This letter serves as notice that the above-named property owner _____ ,
intends to refinance the property located at _____ .

I have reviewed Nevada County's Loan Servicing Policies and Procedures attached to this notice
and which were provided at the time of application to the Down Payment Assistance Program, and
I attest that the refinance conforms to Nevada County's requirements.

----- Homeowner Signature	----- Printed Name	_____ Date
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----- Homeowner Signature	----- Printed Name	_____ Date
------------------------------	-----------------------	---------------

----- Homeowner Signature	----- Printed Name	_____ Date
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**Nevada County
Down Payment Assistance Program
Notice of Intent to Sell**

List all Homeowners on Title

Homeowner's Name _____

Homeowner's Name _____

Homeowner's Name _____

Email Address _____

Phone Number _____

Property Address _____

Mailing Address _____

This letter serves as notice that the above-named property owner _____ ,
intends to sell the property located at _____ .

I have reviewed Nevada County's Loan Servicing Policies and Procedures attached to this notice and which were provided at the time of application, and the Deed of Trust and Promissory Note associated with this property and with the Down Payment Assistance Program, and I understand that the full loan, principle, and interest may become due at the time of sale.

----- Homeowner Signature	----- Printed Name	_____ Date
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----- Homeowner Signature	----- Printed Name	_____ Date
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----- Homeowner Signature	----- Printed Name	_____ Date
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**County of Nevada
Down Payment Assistance Program
Loan Servicing Policies and Procedures**

The County of Nevada, here after called “Lender” has adopted these policies and procedures in order to preserve its financial interest in properties, who’s “Borrowers” have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, associated with those regulations or program requirements.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan’s principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes, which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date.

For Notes, which are deferred payment loans; the Lender may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance. Should the borrower fail to secure and maintain the required property insurance the Lender may declare the loan in default.

When a property is located in a 100 year flood plain, the Borrower will be required to carry the necessary flood insurance. Additionally, an endorsement naming the County of Nevada as additional insured shall be required. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The lender may verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment. Should the borrower fail to maintain payment of property taxes, the Lender may declare the loan in default.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

A requirement of the Nevada County Down Payment Assistance Program is that the applicant for the loan must remain the owner and occupant of the home purchased as a principal residence. If the applicant does not remain the owner occupant as a principal residence, the Sponsor reserves the right to make the Down Payment Assistance loan due and payable. On some owner occupant loans, the Lender may require that Borrowers submit utility bills and/or other documentation (i.e., property tax statement, insurance policies, etc.) annually to prove occupancy during the term of the loan. The Sponsor reserves the right to perform site visits to document occupancy status. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases, the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to households within the income level of the program (80%-150% Area Median Income).

Loans are not assumable under the Down Payment Assistance program unless as stated in the Deed of Trust and Promissory Note.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is in the TIG. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and

loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full, unless otherwise stated in the program guidelines.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt pay offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non payment; 2) lack of insurance or property tax payment; 3) violation of rent limitation agreement; 4) change in title or use without approval; 5) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it

is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lien holder

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

Attachment J - Annual Income Inclusions and Exclusions

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 Exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the <u>In Re Agent Orange</u> product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned

income credit payments;

- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

Attachment J Annual Income Asset Inclusions and Exclusions

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program. Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are Part of an Active Business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

RECORDING REQUESTED BY
(Title Company)
AND WHEN RECORDED MAIL TO:
County of Nevada
950 Maidu Ave.
Nevada City, CA 95959
Attn: Tyler Barrington

SPACE ABOVE THIS LINE FOR RECORDER'S USE

REQUEST FOR NOTICE

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust (or Mortgage) recorded (**DATE**), 2026, in Book _____ Page _____ (or filed for record with recorder's Serial No. 2026-_____) of Official Records of Nevada County, California, and describing land therein as

(Insert Legal Description)

Executed by (**Borrower**) as Trustor (or Mortgagor), in which (**First Lender**) is named as Beneficiary (or Mortgagee) and (**Title Company**) as Trustee, to be mailed to:

County of Nevada
Housing and Community Services Department
950 Maidu Avenue
Nevada City, CA 95959

NOTICE: A copy of any Notice of Default and of any Notice of Sale will be sent only to the address contained in this request. If your address changes, a new request must be recorded.

Dated: _____

County of Nevada Housing and Community Services Department

By: _____

Tyler Barrington, Housing and Community Services Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of California

County of _____,

On _____

before me, _____

(insert name and title of the officer)

personally appeared **Tyler Barrington**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____

Signature: _____

Exhibit A

Legal Description

PLEASE INSERT LEGAL DESCRIPTION FROM PRELIMINARY TITLE



**Nevada County
Down Payment Assistance Program
Asset Verification Form**

Complete one form for each applicant.

Applicant Name: _____

I hold the following assets:

Asset Name	Type of Account	Total Amount of Asset	Amount of Income Received
	Cash held in savings account		
	Cash held in checking account		
	Cash value of revocable trusts available to the applicant		
	Cash Value of Stocks, bonds, Treasury bills, Certificates of Deposit, and Money Market Accounts		
	Individual Retirement, 401 (k), and Keogh accounts (even though withdrawal would result in a penalty).		
	Retirement and Pension Funds		
	Cash value of life insurance policies available to the individual before death (surrender value of a whole life or universal policy).		
	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.		
	Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements, and other amounts not intended as periodic payments		
	Mortgages or deeds of trust held by the applicant		

I understand that the following assets are excluded from the asset limit for the Down Payment Assistance Program.

Asset Exclusions:

- Necessary personal property. This includes clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
- Interest in Indian trust lands
- Assets not effectively owned by the applicant, such as when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
- Equity in cooperatives in which the family lives
- Assets not accessible to and that provide no income for the applicant.
- Term life insurance policies with no cash value
- Assets that are part of an active business. "business" does not include rental of properties that are held as an investment and not a main occupation.

I certify that I have provided verification and documentation for all the above-stated assets that are not listed under Asset Exclusions.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of grant award. The information provided is subject to verification by the county or eligible municipality.

Signature

Printed Name

Date