

AGREEMENT
BETWEEN
CAPITAL AREA FINANCE AUTHORITY
AND
CADDO PARISH

This agreement (the “**Agreement**”) is entered into by and between the Capital Area Finance Authority (the “**Authority**”), herein represented by Mark Drennen, its Executive Director, duly authorized, and Caddo Parish, herein represented by its Commissioners, who, in order to serve the public for purposes herein stated, declared.

WHEREAS, the Authority is a public trust established for public purposes for the benefit of East Baton Rouge Parish, State of Louisiana (the “**Beneficiary**”), created pursuant to the provisions of the Louisiana Public Trust Act, Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended La. R.S. 9:2341-2347, inclusive (the “**Act**”), and other constitutional and statutory authority supplemental thereto and by that certain Trust Indenture dated August 14, 1974 and all amendments thereto (the “**Indenture**”); and

WHEREAS, the Indenture empowers the Authority to promote, encourage and further the accomplishment of all activities which are or may have a public purpose, including, but not limited to, the development of safe, sanitary single family housing for the low and moderate income families of the Beneficiary, for projects authorized under the Act and the Indenture which shall be deemed an authorized public function under the provisions of the Act; and

WHEREAS, Article VII, Section 14(C) of the Louisiana Constitution of 1974 and Sections 9020 through 9037, inclusive, of Title 33 of the Louisiana Revised Statutes of 1950, as amended, authorizes the parties to enter into this Agreement for the purpose of engaging in or encouraging economic development; and

WHEREAS, the Authority and Caddo Parish desire to enter into this Agreement for the benefit of the citizens of both Caddo Parish and the Beneficiary, for the purposes of allowing low to moderate income borrowers of Caddo Parish to participate in the Authority’s program of financing homeownership for low and moderate-income families (the “**Programs**”) and for the Authority to earn an administrative fee in accordance with the terms of this Agreement; and

WHEREAS, the Program will be administered by the Authority on behalf of Caddo Parish in accordance with the terms of this Agreement.

IT IS AGREED, by and between the Capital Area Finance Authority and Caddo Parish, that the following Agreement be adopted and the same is hereby entered into:

1. TERM: The term of this Agreement shall commence on the first date below written and shall continue in effect until December 31, 2020. This Agreement may however, be terminated earlier by either party by providing thirty (30) days written notice to the other party of its desire to terminate.

2. PROGRAM TERMS: The Program shall be administered by the Authority on behalf of the Parish pursuant to the terms and conditions of certain mortgage origination agreement (“**MOAs**”) by and between the Authority and various lending institutions (“**Lenders**”) in connection with the Authority’s Program.

3. PROGRAMS: The Authority presently has three mortgage loan programs which are detailed on Exhibit A and additional mortgage loan programs are expected to be developed. The Authority will share 50% of the net fee with the Parish.

3. ADVERTISING AND MARKETING: In connection with its administration of the Program, the Authority shall actively market the Program in coordination with representatives of the Parish. The Authority shall be responsible for and pay directly any and all costs associated with the advertising and/or marketing of the Program.

4. MUTUAL AND RECIPROCAL BENEFIT: The Authority and the Parish acknowledge and agree that the obligations and agreements of each are in consideration of the obligations and agreements of each other and are of mutual value.

5. ASSIGNMENT: Neither the Authority nor the Parish shall assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the other party.

6. AMENDMENT IN WRITING: Any alteration, variation, modification or waiver of provision of this Agreement shall be valid only when it has been reduced to writing and executed by all parties.

7. AUDIT CLAUSE: It is hereby agreed that the Legislative auditor of the State of Louisiana, and/or the Office of the Governor, Division of Administration auditors shall have the option of inspecting and auditing all data records and accounts of the Authority which relate to this Agreement, upon request.

8. NOTICE: All notices and other communications pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand-delivery (and receipt for) or deposited in the United States mail, as certified mail, return receipt requested and postage prepaid, to the other party, addressed as follows:

Capital Area Finance Authority
Attn: Mark Drennen
601 St. Ferdinand Street
Baton Rouge, LA 70802

Telephone: (225) 771-8567
Facsimile: (225) 771-8573
Email: mark@thecafa.org

Parish:
Attn: Administrative

THUS DONE AND PASSED , in Louisiana, on this _____
_____, 2019 day of

CAPITAL AREA FINANCE AUTHORITY

By: _____
Mark Drennen, Executive Director

By: _____

Address: _____

EXHIBIT A

Capital Advantage Program- The Authority contracted with US Bank as Master Servicer and Raymond James as hedging agent. The Program presently has 31 approved banks and lenders in the Program. The Authority receives an issuer fee of a minimum 90 basis points on loan production and receives fee income at time of pooling of the loan production into a MBS. This occurs approximately once every 30 days. The Authority will share 50% of the fee received on all loan production with Caddo Parish and will remit to Caddo Parish within ten calendar days of receipt.

Purchase Advantage Program – The Authority contracted with GMFS Lending, LLC as Master Servicer, underwriter, lender and hedging agent. The Program works through approved mortgage brokers, credit unions and lenders in the Program. The Authority receives an issuer fee of 90 basis points on loan production and presently receives income within 15 calendar days after the month in which the loan was funded. The Authority will share 50% of the fee income received on all loan production with Caddo Parish and will remit within 10 calendar days of receipt.

Future Programs- The Authority is currently in Program Development with a Government Sponsored Enterprise (GSE) to develop a Pilot Program that would allow the Authority to authorize approved seller servicers to service their own loans, by choice. It is anticipated the Authority will receive a 75 basis points issuer fee upon the lender selling the loan to the GSE. The Authority will share 50% of the fee income received on all loan production with the Parish and will remit within 10 calendar days of receipt. The final documents will be forwarded to the Parish within forty-eight hours of execution.

Second Mortgage Program – The Authority is developing a second mortgage program where it may invest its' own Unrestricted Fund dollars into a second mortgage to provide down payment assistance. If a second mortgage is funded by the Authority, the Authority would recoup its second mortgage investment through an issuer fee on the first mortgage before any net revenue sharing. An example follows:
On a \$100,000 mortgage loan funded, the Authority may fund a second mortgage for DPA of 4% or 5%, \$4,000 or \$5,000 respectively. The Authority would structure an issuer fee in excess of its second mortgage funded, such as 4.90% of 5.90% on the first mortgage. The second mortgage is anticipated to be a 0% interest rate, zero monthly payments due. The second mortgage would be due upon refinance, sale or estate conveyance within the first ten years. The net fee on the first mortgage, in this example, of 90 basis points would be shared with the Parish.